



ASX Announcement | 14 March 2025
Variscan Mines Limited (ASX:VAR)

FINANCIAL REPORT – HALF-YEAR ENDED 31 DECEMBER 2024

Variscan Mines Limited (“Variscan” or the “Company”) encloses its half-year financial report for the period ended 31 December 2024.

Yours faithfully

Mark Pitts

Company Secretary

This announcement has been approved for release by Mr Mark Pitts, Company Secretary, Variscan Mines Limited.

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About Variscan Mines Limited (ASX:VAR)

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

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VARISCAN **MINES**

Interim Financial Report
for the half-year ended
31 December 2024

Contents

Corporate Information	3
Directors' Report	4
Auditor's Independence Declaration	6
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Condensed Consolidated Statement of Financial Position	8
Condensed Consolidated Statement of Changes in Equity	9
Condensed Consolidated Statement of Cash Flows	10
Notes to the Condensed Interim Financial Statements	11
Directors' Declaration	22
Independent Auditor's Review Report	23

Corporate Information

[Directors](#)

Mr Anthony Wehby	<i>Non-executive Chairman</i>
Mr Stewart Dickson	<i>Managing Director & CEO</i>
Mr Nick Farr-Jones	<i>Non-executive Director</i>
Dr Frank Bierlein	Non-executive Director

[Company Secretary](#)

Mr Mark Pitts

[Registered Office](#)

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[Auditors](#)

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Perth WA 6000
Australia
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[Securities Exchange Listing](#)

Variscan Mines Limited's shares are listed on the Australian Securities Exchange (ASX: VAR)

[Competent Persons Statements](#)

Where Company refers to exploration results, historical data and mineral resource estimates 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 previous announcements and all material assumptions and technical parameters disclosed in those announcements continue to apply and have not materially changed.

Directors' Report

Your Directors of Variscan Mines Limited (the "Company") submit the Interim Financial Report of the Group, being the Company and its controlled entities ("Variscan" or the "Group"), for the half year ended 31 December 2024. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Mr Anthony Wehby	Non-executive Chairman
Mr Stewart Dickson	Managing Director & CEO
Mr Nicholas (Nick) Farr-Jones	Non-executive Director
Dr Frank Bierlein	Non-executive Director

Review of operations

Variscan Mines Limited (ASX:VAR) has made significant progress in the half-year ending 31 December 2024, particularly in advancing its zinc projects in Spain.

Novalés-Udías Zinc-Lead Project, Spain

Exploration and Resource Development

San Jose Mine

The Company continued its underground drilling campaign at the San Jose Mine, focusing on extending known mineralized zones and delineating additional high-grade zinc-lead mineralization beyond the existing Mineral Resource Estimate (MRE). The drilling program delivered multiple high-grade intercepts, with notable results including (refer ASX Announcement dated 11 July 2024):

- 14.10m @ 5.31% Zn, 0.44% Pb
- 11.00m @ 6.66% Zn, 0.72% Pb
- 4.65m @ 5.49% Zn, 0.14% Pb
- 4.00m @ 5.92% Zn, 0.26% Pb

In addition to drilling, Variscan undertook detailed geological mapping and structural analysis to refine its understanding of the controls on mineralization. The results of these studies have provided important insights that will inform future drilling strategies and the upcoming Mine Re-Start Study.

Udías Mine Complex

The Udías Mine Complex, historically linked to the San Jose Mine, has been identified as a high-priority exploration target due to its past production history and evidence of high-grade zinc-lead mineralization. During the period, Variscan undertook a comprehensive historical data review, incorporating archival mine records, historical drill results, and underground sampling data to refine target areas.

In November 2024 the Company commenced underground drilling within the Udías Mine Complex, which reported exceptionally high-grade results in early 2025 (refer ASX Announcement dated 4 March 2025), including:

- 15.30m @ 17.42% Zn, 4.40% Pb
- 14.30m @ 8.09% Zn, 1.28% Pb
- 15.25m @ 6.10% Zn, 0.46% Pb

These results will provide critical data that will enhance the broader resource potential of the Novalés-Udías Project.

Mineral Resource Estimate (MRE) Update

A major milestone for the period was the significant update to the Novalés-Udías Project's Mineral Resource Estimate, announced in December 2024 (refer ASX Announcement dated 9 December 2024). The MRE was increased threefold to 3.4 million tonnes at 7.6% zinc and 0.9% lead, significantly enhancing the project's scale and development potential. Importantly, the update marked the first-time classification of Measured Resources at Novalés-Udías, underscoring the growing confidence in the geological model and continuity of mineralisation.

The updated MRE incorporated data from recent drilling campaigns, underground mapping, and historical mine records. The higher confidence Measured Resource component provides a strong foundation for mine planning and economic assessments. Variscan's technical team is now integrating the updated MRE into the ongoing Mine Re-Start Study, which will evaluate production scenarios, mining methods, and economic feasibility ahead of a potential decision to restart mining operations at San Jose.

Directors' Report

Deposit	Classification	Tonnes (Kt)	Zn (%)	Pb (%)	Zn + Pb (%)
San Jose	Measured	1,100	8.0	1.5	9.5
	Indicated	600	9.5	1.2	10.7
	Inferred	300	7.0	0.8	7.8
Sub-total		2,000	8.3	1.3	9.6
Udías	Indicated	500	6.5	0.7	7.2
	Inferred	900	7.2	0.6	7.8
Sub-total		1,400	7.0	0.6	7.6
Total		3,400	7.6	0.9	8.5

Notes:

- The Mineral Resource is reported above a 2% Zn+Pb cut-off grade.
- Due to rounding, totals may not precisely reflect the sum of individual components.
- The MRE incorporates data from both recent and historical drilling campaigns, with a total of 1,331 drill holes contributing to the resource model.

This updated MRE reflects a significant increase in geological confidence and resource inventory, underscoring the exceptional potential of the Novales-Udías Project as one of the highest-grade zinc deposits owned by an ASX-listed company.

Strategic Partnerships

- **Marketing Agreement:** Variscan appointed Square Trading as its exclusive marketing manager for the global sale of zinc concentrates from its Novales-Udías and Guajaraz Projects in Spain. Square Trading will also assist in securing third-party financing for the construction and operation of the mines under development.

Financial Position

- **Capital Raising:** The Company successfully raised \$2,367,335 (with an additional \$84,000 received during the previous financial year) through an interim funding placement and a fully underwritten renounceable entitlement offer. This capital injection has strengthened the Company's financial position, enabling the advancement of development activities, with a focus on the forthcoming Mine Re-Start Study for the San Jose Mine.

Significant events after balance date

There has been no additional matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Auditor Independence Declaration

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year report. This Independence Declaration is set out on page 6 and forms part of this Directors' Report for the half year ended 31 December 2024.

Signed in accordance with a resolution of the Directors.



Stewart Dickson

Managing Director

Dated this 14th day of March 2025

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated interim financial report of Variscan Mines Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
14 March 2025


D B Healy
Partner

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HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Variscan Mines Limited

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2024

	Notes	Consolidated	
		Six months to 31 December 2024 \$	Six months to 31 December 2023 \$
Continuing operations			
Interest income		4,885	6,726
Other income		-	1,078
Total income		4,885	7,804
Compliance expenses		(87,493)	(34,483)
Professional services expenses		(196,731)	(114,511)
Finance expenses		(111)	(156)
Directors' expenses		(193,017)	(121,000)
Travel and accommodation expenses		(18,782)	(23,181)
Other expenses		(30,612)	(46,136)
Total expenses		(526,746)	(339,467)
Realised loss on foreign exchange		(16,476)	(1,509)
Unrealised (loss)/gain on foreign exchange		(2,724)	2,032
Total foreign exchange (loss)/gain		(19,200)	523
Loss before income tax		(541,061)	(331,140)
Income tax expense		-	-
Loss for the period after income tax		(541,061)	(331,140)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		24,970	(53,795)
Other comprehensive income / (loss) for the period, net of tax		24,970	(53,795)
Total comprehensive loss for the period		(516,091)	(384,935)
Loss per share			
Basic and diluted loss per share (cents per share)	3	(0.10)	(0.09)

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	Consolidated	
		31 December 2024	30 June 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,151,915	250,260
Trade and other receivables		220,066	122,784
Total current assets		1,371,981	373,044
Non-current assets			
Property, plant and equipment		58,954	61,765
Deferred exploration and evaluation expenditure	4	9,956,195	9,331,873
Other non-current assets		69,217	66,737
Total non-current assets		10,084,366	9,460,375
Total assets		11,456,347	9,833,419
Liabilities			
Current liabilities			
Trade and other payables		177,041	509,617
Total current liabilities		177,041	509,617
Total liabilities		177,041	509,617
Net assets		11,279,306	9,323,802
Equity			
Issued capital	5	38,018,166	36,066,871
Reserves	5	640,229	302,259
Accumulated losses		(27,379,089)	(27,045,328)
Total equity		11,279,306	9,323,802

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2024

	Consolidated				Total
	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	
1 July 2023	35,344,243	726,582	149,192	(26,844,339)	9,375,678
Loss for the period	-	-	-	(331,140)	(331,140)
Other comprehensive loss for the period, net of income tax	-	-	(53,795)	-	(53,795)
Total comprehensive loss for the period	-	-	(53,795)	(331,140)	(384,935)
Issue of shares for cash	333,000	-	-	-	333,000
Issue of shares in lieu of fees	45,628	-	-	-	45,628
Exercise of performance rights	70,000	(70,000)	-	-	-
Lapse of options	-	(449,282)	-	449,282	-
31 December 2023	35,792,871	207,300	95,397	(26,726,197)	9,369,371
1 July 2024	36,066,871	207,300	94,959	(27,045,328)	9,323,802
Loss for the period	-	-	-	(541,061)	(541,061)
Other comprehensive income for the period, net of income tax	-	-	24,970	-	24,970
Total comprehensive income/(loss) for the period	-	-	24,970	(541,061)	(516,091)
Issue of shares for cash	2,367,335	-	-	-	2,367,335
Issue of shares to Directors under loan agreements	132,000	-	-	-	132,000
Issue of shares in lieu of fees	163,000	-	-	-	163,000
Issue of options as share issue costs	(520,300)	520,300	-	-	-
Lapse of options	-	(207,300)	-	207,300	-
Share issue costs paid	(190,740)	-	-	-	(190,740)
31 December 2024	38,018,166	520,300	119,929	(27,379,089)	11,279,306

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2024

	Notes	Consolidated	
		Six months to 31 December 2024	Six months to 31 December 2024
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(509,727)	(384,639)
Interest received		4,885	6,726
Finance costs		(111)	(156)
Net cash outflow from operating activities		(504,953)	(378,069)
Cash flows from investing activities			
Exploration and evaluation expenditure		(797,273)	(191,925)
Purchase of property, plant and equipment		(7,178)	(640)
Net cash outflow from investing activities		(804,451)	(192,565)
Cash flows from financing activities			
Proceeds from issue of shares – placement and entitlement offer	5	2,367,335	333,000
Proceeds from issue of shares – loan agreements	5	32,000	-
Share issue costs paid		(190,740)	-
Net cash inflow from financing activities		2,208,595	333,000
Net increase / (decrease) in cash and cash equivalents		899,191	(237,634)
Cash and cash equivalents at the beginning of the period		250,260	1,017,571
Effect of foreign exchange rate fluctuations on cash held		2,464	(1,022)
Cash and cash equivalents at the end of the period		1,151,915	778,915

The accompanying notes form part of these financial statements

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2024

Note 1: Basis of Preparation

These condensed interim financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements comprise the consolidated condensed interim financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. The interim financial statements do not include full disclosures of the type normally included in the annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as the annual financial report. It is recommended these interim financial statements be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by Variscan Mines Limited and its subsidiaries during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The financial statements have been prepared on a historical cost basis, except for financial assets carried at fair value. Historical cost is based on the fair values of the consideration given in exchange for assets, goods and services. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the interim financial statements, the half year has been treated as a discrete reporting period.

(a) [Statement of compliance](#)

The financial report was authorised for issue on 14 March 2025.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

[New Standards and Interpretations applicable for the half year ended 31 December 2024](#)

In the period ended 31 December 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

[Standards and Interpretations in issue not yet adopted](#)

The Directors have also reviewed all of the new and revised Standards and Interpretations on issue not yet adopted for the period ended 31 December 2024. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(b) [Going concern](#)

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. For the half-year ended 31 December 2024, the Group recorded a net loss after tax of \$541,061 (2023: \$331,140), and net cash outflows from operating and investment activities of \$1,309,404 (2023: \$570,634). At 31 December 2024, the Group had \$1,151,915 in cash and cash equivalents (30 June 2024: \$250,260) and net working capital of \$1,194,940 (30 June 2024: \$136,573).

Notwithstanding the above, and whilst not immediately required, the Group will need to raise further funds into the future to meet its planned exploration and development expenditure and corporate overheads. The Group's ability to raise additional funds into the future will be impacted by the success of exploration activities and market conditions. The Directors have reviewed the Group's overall financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will have sufficient funds available for at least 12 months to achieve its objectives and noting that it will be able to raise further funding or reduce or delay expenditures. Should these planned activities to raise or conserve capital not be successful, there exists a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and, therefore, to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2024

Note 2: Segment Reporting

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

Based on the quantitative thresholds included in AASB 8, there are currently two geographical segments, being Australia and Spain, which are considered for management purposes to form part of the single reportable segment of mineral exploration.

Segment information

The following tables present revenue and profit information and certain asset and liability information regarding geographical segments:

	As at	Australia \$	Spain \$	Total \$
Segment assets	31 December 2024	1,121,491	10,334,856	11,456,347
	30 June 2024	212,068	9,621,351	9,833,419
Segment liabilities	31 December 2024	(89,733)	(87,308)	(177,041)
	30 June 2024	(456,041)	(53,576)	(509,617)

	For the half year ended	Australia \$	Spain \$	Total \$
Segment income	31 December 2024	(7,479)	12,364	4,885
	31 December 2023	7,804	-	7,804
Segment loss before income tax expense	31 December 2024	(551,249)	10,188	(541,061)
	31 December 2023	(332,218)	1,078	(331,140)

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2024

Note 3: Loss Per Share

[Basic and diluted loss per share](#)

	Consolidated	
	Six months to 31 December 2024	Six months to 31 December 2023
Basic and Diluted loss per share (cents per share)	(0.10)	(0.09)

[Gain/\(Loss\)](#)

The Gain or (Loss) used in the calculation of basic and diluted gain/(loss) per share is as follows:

	Consolidated	
	Six months to 31 December 2024	Six months to 31 December 2023
	\$	\$
Loss used in the calculation of basic loss per share	(541,061)	(331,140)

[Weighted average number of ordinary shares](#)

The weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:

	Consolidated	
	Six months to 31 December 2024	Six months to 31 December 2023
	Number	Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	526,279,813	351,907,581
There is no impact of potential ordinary shares as they are not considered to be dilutive	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	526,279,813	351,907,351

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2024

Note 4: Deferred Exploration and Evaluation Expenditure

Carrying value

	Consolidated	
	31 December	30 June
	2024	2024
	\$	\$
Exploration and evaluation costs	9,956,195	9,331,873

Reconciliation

	Consolidated	
	Six months to	Year to
	31 December	30 June
	2024	2024
	\$	\$
Opening balance	9,331,873	8,097,650
Expenditure incurred	500,632	1,272,166
Depreciation capitalised	9,989	9,957
Impact of foreign currency exchange differences	113,701	(47,900)
Closing balance	9,956,195	9,331,873

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2024

Note 5: Issued Capital & Reserves

Contributed Equity

	31 December 2024	30 June 2024
	\$	\$
Share capital		
782,857,708 ordinary shares fully paid (30 June 2024: 379,000,368)	38,018,166	36,066,871

Movement in ordinary shares on issue

	Six months to 31 December 2024		Year to 30 June 2024	
	Number	\$	Number	\$
Balance at beginning of period	379,000,368	36,066,871	338,003,630	35,344,243
Shares issued for cash	345,333,529	2,367,335	33,055,555	595,000
Shares issued for funds received during a previous period (a)	14,000,000	-	3,055,556	-
Shares issued subject to loan agreements with Directors	21,238,097	132,000	-	-
Shares issued in lieu of directors fees (b)	23,285,714	163,000	2,385,627	45,628
Conversion of performance rights	-	-	2,500,000	70,000
Share funds received in advance (a)	-	-	-	84,000
Options issued as share issue costs (c)	-	(520,300)	-	-
Other share issue costs	-	(190,740)	-	(72,000)
Balance at end of period	782,857,708	38,018,166	379,000,368	36,066,871

- a) During the year ended 30 June 2024, a total of \$84,000 was received relating to the issue of shares completed on 22 July 2024. Also during the year ended 30 June 2024, the Company issued 3,055,556 shares relating to the receipt of \$55,000 during the previous financial year.
- b) Shares issued in lieu of directors fees during the year ended 30 June 2024 were valued by reference to the Company's shares as quoted on the ASX for the month to which the liability related. For those issued during the current period, these were valued at the price of the Entitlement Offer at \$0.007.
- c) The Company issued a total of 78,833,394 options to Underwriters and Lead Managers of the Entitlement Offer made during the period. These options, which have been valued using the Black-Scholes Option Pricing Model, have been recognised as share issue costs during the period.

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2024

Note 5: Issued Capital & Reserves

Reserves

	31 December 2024	30 June 2024
	\$	\$
Share based payment reserve	520,300	207,300
Foreign currency translation reserve	119,929	94,959
Total Reserves	640,229	302,259

Movement in share-based payment reserve

	Consolidated	
	Six months to 31 December 2024	Year to 30 June 2024
	\$	\$
Opening balance	207,300	726,582
Share based payments during the period – share issue costs	520,300	-
Exercise of performance rights	-	(70,000)
Lapse of options	(207,300)	(449,282)
Closing balance	520,300	207,300

Movement in unlisted options on issue

	Six months to 31 December 2024		Year to 30 June 2024	
	Number	\$	Number	\$
Balance at beginning of period	65,888,890	207,300	46,277,779	656,582
Issue of options to Underwriters and Lead Manager	78,833,394	520,300	-	-
Free-attaching options issued during the period	116,452,400	-	36,111,111	-
Lapse of options	(14,500,000)	(207,300)	(16,500,000)	(449,282)
Balance at end of period	246,674,684	520,300	65,888,890	207,300

Movement in performance rights on issue

	Six months to 31 December 2024		Year to 30 June 2024	
	Number	\$	Number	\$
Balance at beginning of period	-	-	2,500,000	70,000
Exercise of performance rights	-	-	(2,500,000)	(70,000)
Balance at end of period	-	-	-	-

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2024

Note 6: Share-based Payments

The following share-based payment arrangements were in place during the period:

[Unlisted options](#)

	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$	Vesting terms	Current Status
Broker Options	2,500,000	30 Jun 2021	30 Sep 2024	\$0.12	\$0.0490	Immediately	Lapsed
Key Management Personnel Options – Tranche 4	4,000,000	30 Nov 2022	30 Nov 2024	\$0.045	\$0.0080	Immediately	Lapsed
Key Management Personnel Options – Tranche 5	4,000,000	30 Nov 2022	30 Nov 2024	\$0.055	\$0.0070	Immediately	Lapsed
Key Management Personnel Options – Tranche 6	4,000,000	30 Nov 2022	30 Nov 2024	\$0.065	\$0.0062	Immediately	Lapsed
Lead Manager & Underwriter Options	78,833,394	18 Dec 2024	30 Nov 2026	\$0.015	\$0.0066	Immediately	Vested / Exercisable

The fair value of services rendered in return for unlisted options is based on the fair value of the unlisted options granted, measured using the Black-Scholes model. The following inputs were used in the measurement of the fair values at grant date of the unquoted options issued during the financial period, being the Lead Manager & Underwriter Options:

Lead Manager & Underwriter Options	
Fair value (per security) at grant date	\$0.0066
Share price at grant date	\$0.013
Exercise price	\$0.015
Expected volatility	100%
Option life	2 years
Expected dividends	-
Risk-free interest rate	3.94%
Number of options	787,833,394
Total fair value of securities granted	\$520,300

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2024

Note 7: Financial Instruments

Fair value measurement

Measured at fair value on recurring basis

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial assets held at fair value were disposed of during the previous financial year.

Transfers

There have been no transfers between the levels of the fair value hierarchy during the half year ended 31 December 2024.

Not measured at fair value (but fair value disclosures are required)

The Directors consider that the carrying amounts of current receivables and current payables are a reasonable approximation of their fair values.

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2024

Note 8: Contingencies and Commitments

Contingencies

There has been no change in contingent liabilities since the last annual reporting date (30 June 2024: \$nil).

Milestone consideration

In accordance with the acquisition agreements, the Company must issue additional shares upon the satisfaction of certain exploration milestones. These milestones are for the definition, in accordance with JORC 2012, of an Inferred Mineral Resource (or greater) of:

- Milestone 1: 4 million tonnes at 7% Zn
- Milestone 2: 8 million tonnes at 7% Zn

Upon satisfaction of each of these milestones, the Company must issue 27,500,000 ordinary shares to the vendors of Slipstream Spain Pty Ltd and Slipstream Spain 2 Pty Ltd, and 2,426,471 shares to Hispanibal S.L. as the vendor of the "Hispanibal Option", for a total of 59,852,941 Ordinary Shares if both milestones are met.

As at the date of this report neither of these milestones have been reached.

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2024

Note 9: Significant Events after Balance Date

There has been no additional matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2024

Note 10: Significant Accounting Estimates and Judgements

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2024.

Directors' Declaration

Directors' Declaration

In the opinion of the Directors of Variscan Mines Limited (the 'Company'):

1. the accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - a. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year then ended; and
 - b. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. the interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
4. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the *Corporations Act 2001* for the half-year ended 31 December 2024.

This declaration is signed in accordance with a resolution of the board of Directors.



Stewart Dickson

Managing Director

Dated this 14th day of March 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Variscan Mines Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the interim financial report of Variscan Mines Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Variscan Mines Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Variscan Mines Limited

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 March 2025



D B Healy
Partner