HIGH-GRADE ROCK CHIP RESULTS FROM MULTIPLE PROSPECTS

Variscan Mines Limited ("**Variscan**" or the "**Company**" or the "**Group**") (ASX:VAR) is pleased to announce new high-grade rock chip sampling results conducted on prospects within the Buenahora licence area of the Novales-Udias Project in Cantabria, northern Spain. A total of 55 samples were analysed from 11 separate prospects within the Variscan exploration permit, supporting the presence of in-situ high-grade mineralisation at all but three of the exploration prospects.

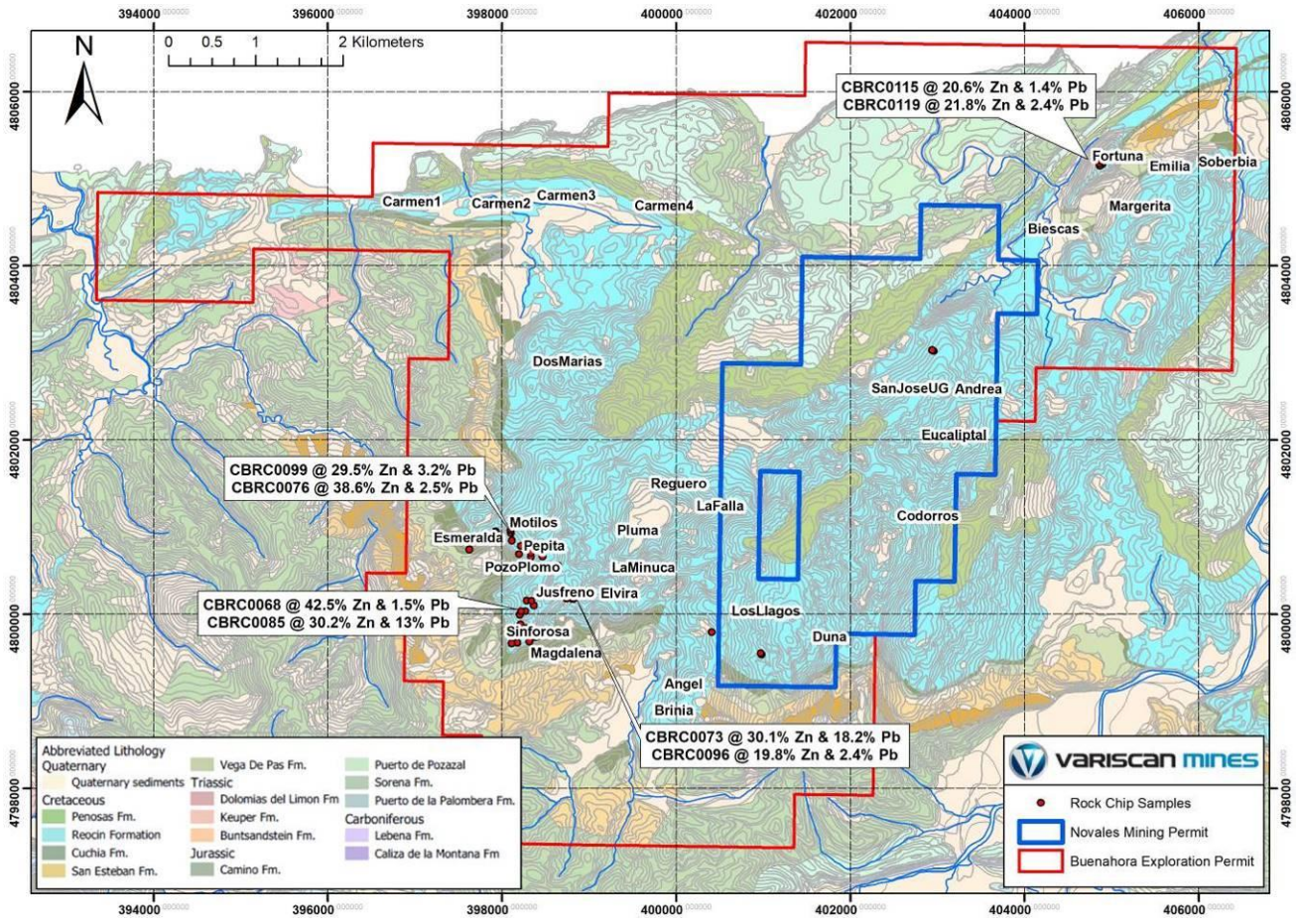
Highlights

- **Samples taken of in-situ mineralisation from outcrops around and between historic mine workings over the Buenahora exploration licence area**
- **55 samples assayed in total, 44 of which have Zn grades above 1%**
- **39 samples with +5% Zn**
- **23 samples with +1% Pb**
- **Zn grades up to a maximum of 42.5%**
- **Pb grades up to a maximum of 18.2%**
- **Eight prospects selected for subsequent soil geochemistry infill and additional exploratory work**
- **Buenahora licence area is highly prospective for large-tonnage, high-grade zinc mineralisation with multiple occurrences of former small-scale mining deposits**
- **Strategy to define a regionally significant mineral resource akin to the former producing and proximal Reocín Mine.**

Stewart Dickson, CEO of Variscan Mines, commented:

'*This infill rock chip sampling programme has returned some excellent high-grade results and shows that anomalies exist outside the previous known target areas indicating larger continuous zones of mineralisation and joining multiple prospects together. We are convinced that the Buenahora licence area is highly prospective for potentially delineating a large tonnage, high-grade zinc resource akin to the former producing world-class Reocín Mine located nearby*'.

Figure 1. Selected Results and Locations of Rock Chips relative to Prospects across the Buenahora and Novales Permits



Key Findings

- High grade zinc assay results taken from rock chip samples across multiple prospects within the Buenahora exploration licence area
- 55 samples assayed in total, 44 of which have Zn grades above 1%
- 39 samples with +5% Zn
- 23 samples with +1% Pb
- Zn grades up to a maximum of 42.5%
- Pb grades up to a maximum of 18.2%
- New target identified – Sofia – infill location between Magdalena and Pozo Plomo
- Continuation of stratiform mineralisation at Magdalena to the NE identified by Variscan in Q4 2019

Next Steps

Following the lifting of COVID-19 restrictions in Spain, the Company announced its work-plan for H2 2020 (refer ASX Announcement 02 June 2020) to execute the 2-fold opportunity that the Novales-Udias project presents:

1. Seek near term zinc production opportunities at the San Jose-Novales Mine
2. Strategy to define a regionally significant mineral resource akin to the former producing and proximal Reocín Mine

Near-term actions to deliver these strategic objectives:

San Jose - Novales Mine

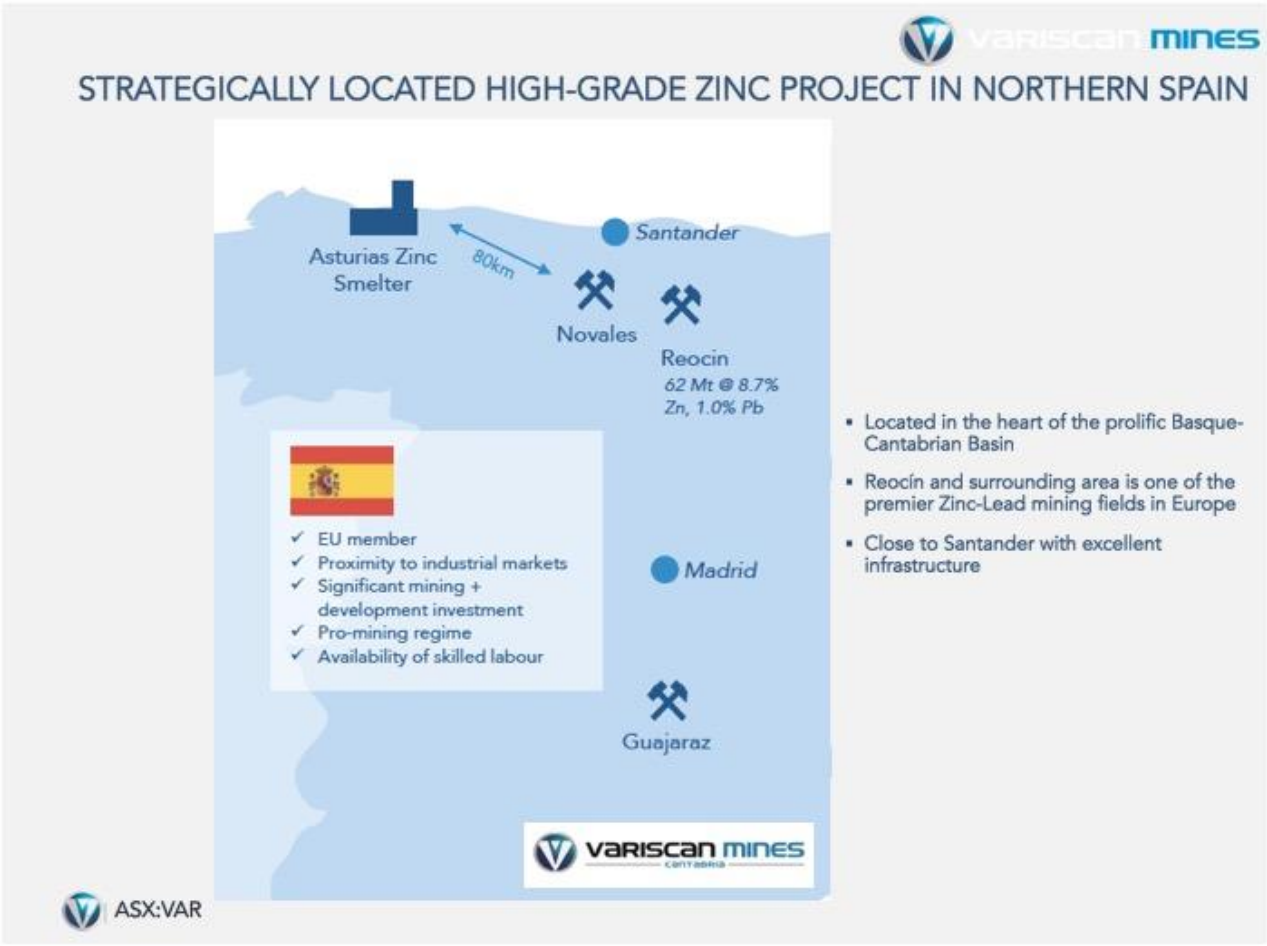
- Expansion of significant historical drill-hole database;
- Development of the geological model;
- Underground 3D laser survey is currently underway;
- Development of an Exploration Target in accordance with JORC 2012 accounting for underground depletion using laser survey;
- New underground channel sampling;
- Confirmatory underground geological mapping; and
- Refinement of drill targets to test unmined mineralisation identified.

Udias – Buenahora Exploration Tenement

- Report remaining infill soil sample results;
- Continue with the processing of historic data; and
- Development of drill targets.

Other activities

In support of the above activities, Variscan are continuing to develop environmental, social and governance initiatives.



Work Programme

Variscan conducted a selective underground and surface grab sampling programme in Q4 2019 (refer ASX Announcement 19 December 2019) which confirmed high-grade zinc occurrences, validated historic geochemistry, and highlighted new zones of mineralisation not previously sampled.

A work programme was designed for the Novales-Udias Project with the goal of establishing the presence of zinc mineralisation at surface and then defining the most prospective areas of mineralisation on which to plan a targeted future drill campaign. To this end, mapping, rock chip sampling and in-fill soil geochemistry sampling were carried out. The work focused on progressing the exploration of the south-west of the Udias area across the Magdalena, Pozo Plomo-Jusfreno and Motilos-Pepita prospects.

Variscan has completed this reconnaissance sampling programme of 11 prospects within the Buenahora licence area of the Novales-Udias Project selected for infill soil sample and rock chip geochemistry as well as geological investigation. 55 rock chip samples were taken, assay results have yielded high-grade zinc recordings over extensive areas throughout the project area. Only three of the prospects tested with rock chips include samples with Zn and/or Pb grades below 1%. The prospects that were sampled include: Jusfresno, Magdalena, Fortuna (Brincia), La Rasa, Motilos, Pepita, San Jose, Sofia, Pozo Plomo, Esmeralda and Recce. The locations of each rock chip sample and the prospects are shown in the map below in relation to regional geology. A table summarising all rock chip assay results from this campaign can be found in Appendix 1.

Rock Chip Sampling

Variscan have completed reconnaissance sampling programme of 11 prospects within the Buenahora licence area of the Novales-Udias Project selected for infill soil sample and rock chip geochemistry as well as geological investigation. 48 rock chip and 7 rock grab samples were taken. Assay results have provided high-grade zinc recordings over extensive areas throughout the project area. Only three of the prospects include samples returning Zn and/or Pb grades below 1%.

Rock chip samples were collected from a rock exposure at surface or underground that has indications of mineralisation. These samples represent evidence of mineralisation presence but are considered insufficient to define representative grades of the total deposit rock mass. Rock chips are a useful guide for further exploratory work leading to scout-drilling. During sample collection each sample consisted of between 5 and 20 chips of rock collected from an area of approximately $<1m^2$ removed using a geological hammer and stored in a polyweave bag. On average the samples were 2kg in weight up to a maximum of 3kg. No measures were taken to ensure sample representativity. The selectivity of the material sampled was dictated by indications of typical Mississippi Valley Type mineralisation or any visible sulphides disseminated into dolomite or wall rock of any kind. The rock chip samples were sent to ALS in Seville, Spain for pulverisation and preparation, before being sent and assayed for multi-element analysis using ME-ICP 61 analysis at ALS in Ireland.

Rock grab samples are those defined as loose material collected from waste dumps or road exposures in a selective manner to assess grade of potentially mineralised rock.

Prospect Analysis & Commentary

Pozo Plomo - Jusfreno

Pozo Plomo lies in close proximity (300m north) to the Jusfreno prospect and both prospects are characterised by the dolomitic Reocín formation and has been heavily karstified. These karstic structures are considered likely to host secondary zinc mineralisation that was exploited by historic, pre-industrial mining. The karsts are aligned roughly north east (040°) and are observed close to the base of the Reocín formation at Pozo Plomo.

Variscan has identified the Pozo Plomo prospect from historical surface drilling data. Two of the three historic surface drill-holes collared at Pozo Plomo report mineralisation at circa **28m** true depth. These intersections include **2.75m @ 19.50% Zn** from **38.40m** drill depth (circa **27m** true depth) and **0.95m @ 5.93% Zn from 28.35m** (refer ASX Announcement 3 February 2020).

Pozo Plomo shows evidence of historical mining activity although no mineralised outcrop has been identified. A single rock chip sample was taken at the Pozo Plomo prospect of a karst dissolution structure (15m x 40m wide and 3m deep depression). The sample did not return a high-grade zinc or lead grades after analysis, as shown in Table 1. This result supports previous geological observations made on site that there are no visibly mineralised exposures in this area at surface. Furthermore, this sample indicates the karst dissolution structures are likely not mineralised in economic quantities at this prospect and allows geologists to potentially rule out these structures for subsequent exploration, thus refining the development of future exploration.

Table 1. Pozo Plomo Rock Chip Assay Results

Sample	Zn%	Pb%
CBRC0075	0.13	0.03

Located south of Pozo Plomo within the comparably south-east facing section of the target dolomite host, the landscape is heavily karstified with three adits identified at surface. Stratiform mineralisation was identified with mineralisation rich in galena. A total of four rock chip samples were taken with positive results recorded in all samples analysed with a peak value of **30.1% Zn and 18.2% Pb.**

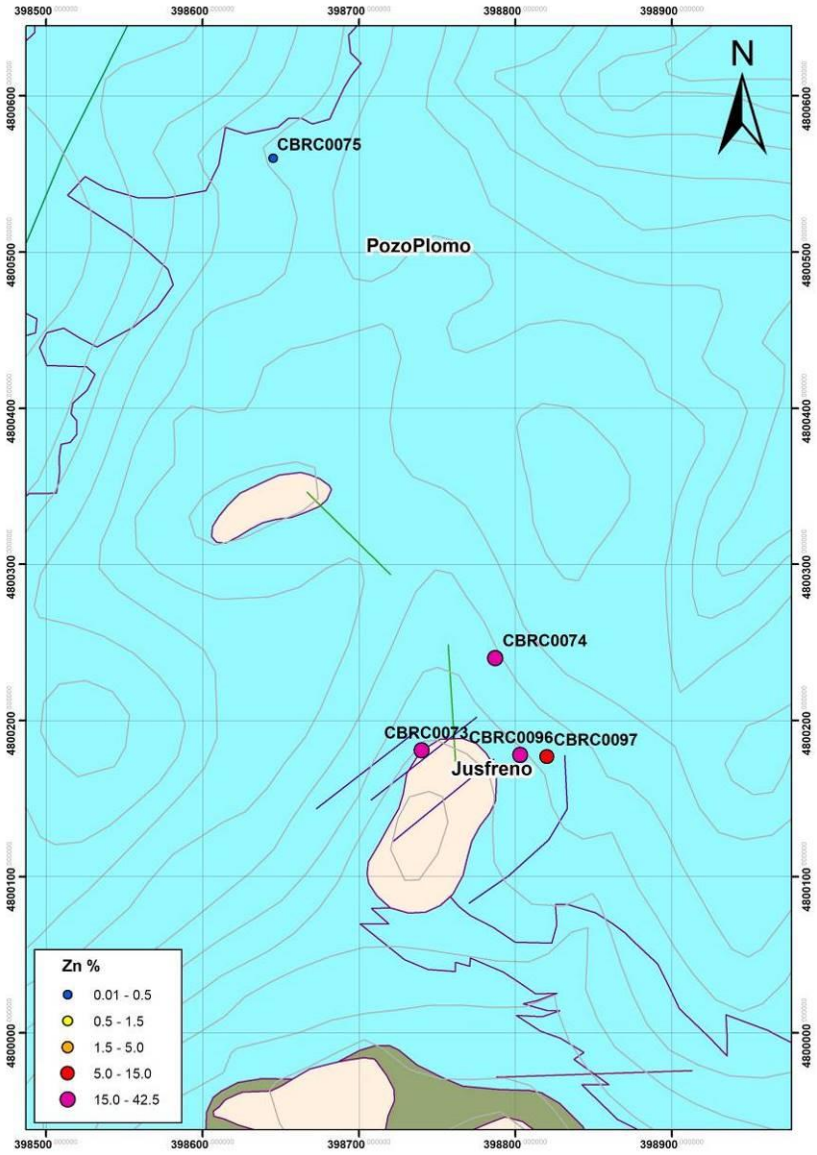
Two of these four samples were taken underground, where an adit was accessible, with the remaining two samples collected from surface exposure of dolomite (Reocín formation). The highest-grade sample **CBRC0073 (30.1% Zn and 18.2% Pb)** was obtained from a mineralised wall inside an adit, comprised of a highly ferruginous clay filled fault in the dolostone. This indicates that fault zones can contain intense mineralisation and should be subject to additional exploration efforts going forward to define their extents and orientation to generate drilling targets at Jusfreno.

The stratiform mineralisation observed here appears not to have been the focus of historic mining activities, which appear instead to have focused on the karsts, and perhaps the intersection of both the karsts and stratiform horizons. Table 2 below provides the assay results for Jusfreno rock chips.

Table 2. Jusfreno Rock Chip Assay Results

Sample	Zn%	Pb%
CBRC0073	30.10	18.20
CBRC0074	17.30	2.70
CBRC0096	19.80	2.40
CBRC0097	5.90	0.25

Figure 2. Map Showing Jusfreno and Pozo Plomo Rock Chip Samples within the Reocín Formation (Blue)



Motilos-Pepita

The Motilos target was prioritised in Q4 2019 following encouraging results of a reconnaissance rock geochemistry programme. Follow-up exploration of the area in 2020 included exploration of the Pepita target, located circa 400m south east of Motilos. The Motilos - Pepita target area is stratigraphically located near the base of the Reocín Formation in the west of the Udias group of prospects. A total of 12 rock chip samples were taken with positive results (+1% Zn) verified in 83% of the samples analysed with peak values of 38.6% Zn and 3.2% Pb, from separate samples. The assay results for all six samples collected from Motilos are shown in Table 3.

Table 3. Motilos Rock Chip Assay Results

Sample	Zn%	Pb%
CBRC0098	0.22	0.00
CBRC0099	29.50	3.20
CBRC0100	14.40	1.10
CBRC0111	17.40	1.10
CBRC0112	15.60	0.31
CBRC0113	9.20	0.76

The adits at Pepita were mapped and sampled in the 1980s and have been digitised to assist with geological interpretation and prospect appraisal by Variscan. Pepita is located on an approximately 3km long east-north-east fault which could provide a conduit zone for mineralising fluids typical of MVT style deposits. A significant amount of historical data from underground remains to be processed; however, preliminary assessments are encouraging with grades as high as 29.65% Zn documented.

At Pepita, remains of mine buildings and probable separation pools are considered to be related to historic mining activity focussed on the extraction of secondary calamine ore. This secondary mineralisation is likely to have been sourced from karsts in the area which are distributed across the south west facing slope from the Pepita target NW to the Motilos target. Exploration of one of the larger karsts close to the Pepita mining infrastructure identified primary zinc mineralisation within the karst forms, with a grab sample from this campaign returning **12.3% Zn and 0.15% Pb (CBRC0101)**. Apparent waste rock material at Pepita exhibits fresh primary mineralisation with typical MVT textures. It is considered likely that historic mining activity at this target was focussed only on secondary zinc mineralisation.

In addition to the evident mining activity in the karsts, the Pepita target also includes a significant network of underground exploration adits. Mapping of these adits, understood to have been undertaken by AZSA in the 1980s, includes the identification of a series of NE trending structures which are considered likely to have controlled and hosted mineralisation. Rock samples from these underground adits included both highly weathered and oxidised material and fresh material which returned **38.6% Zn 2.5% Pb (CBRC0076)** and **22.4% Zn 1.0 % Pb (CBRC0077 shown in Photo 1)** respectively. The historic mapping by AZSA includes reference to channel sampling from these underground adits. All Pepita rock chip results are shown in Table 4. These data are being assessed as part of the development of this prospect as a potential drill target.

Table 4. Pepita Rock Chip Assay Results

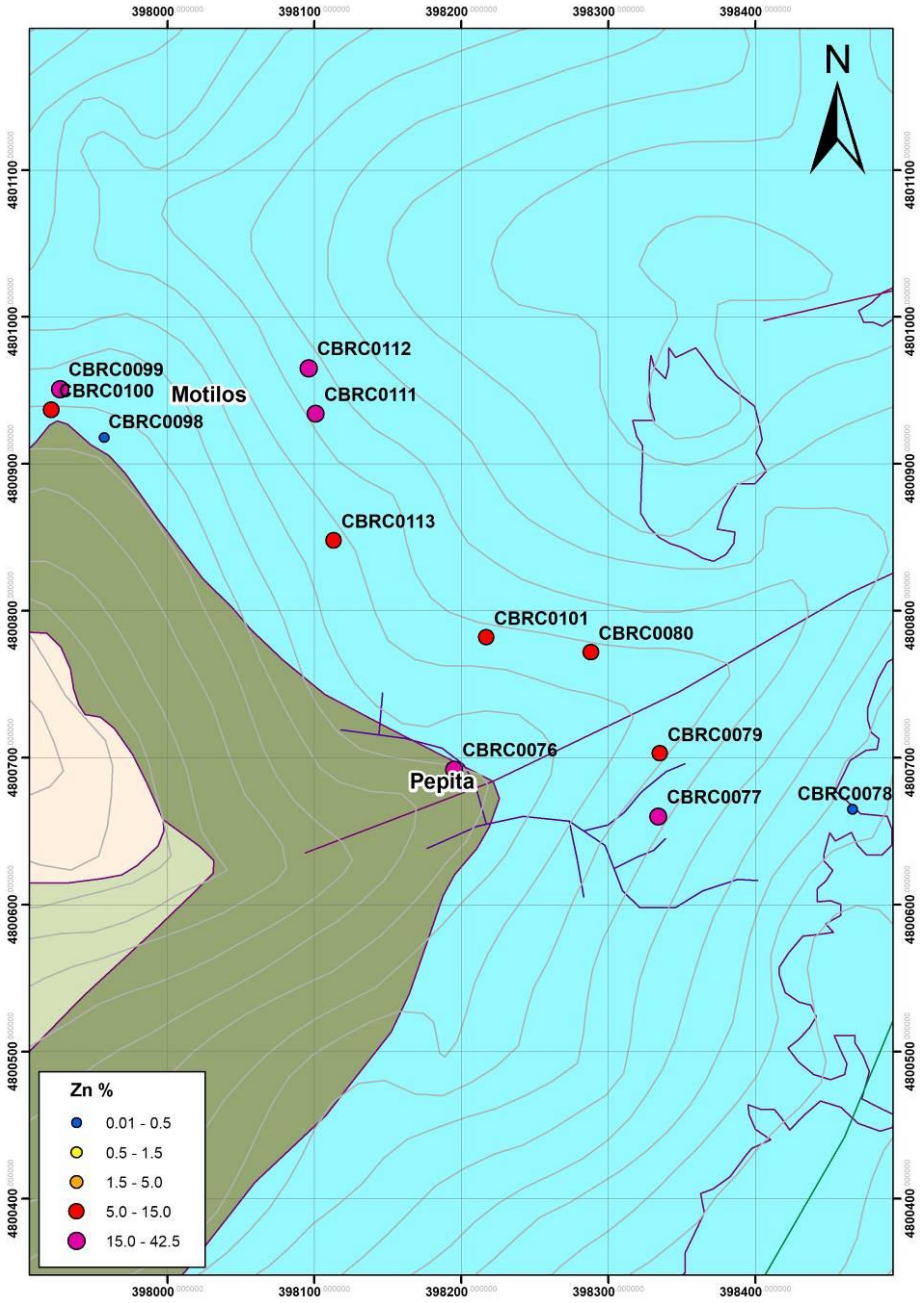
Sample	Zn%	Pb%
CBRC0076	38.60	2.50
CBRC0077	22.40	1.00
CBRC0078	0.09	0.00
CBRC0079	5.10	0.02
CBRC0080	7.50	0.12
CBRC0101	12.30	0.15

Photo 1.
Left: Sample CBRC0077 from Pepita Showing Location of Sample in Exposure and Polyweave Bag.
Right: Sample CBRC0079 Showing Hand Specimen with Typical MVT Style Mineralisation at Pepita

Geological investigation of the formation on the south west facing slope between Pepita and Motilos identified further primary mineralisation with encouraging results including **17.40 % Zn 1.1 % Pb (CBRC0111**), **15.6 % Zn 0.3 % Pb (CBRC0112),** and **9.2 % Zn 0.8 % Pb (CBRC0113).** These data support evidence of historic mining (adits) with some high-grade zones indicative of extensive stratiform mineralisation.

To the knowledge of Variscan, neither the Motilos target nor the Pepita target has been drilled before. The Pepita target is now considered a priority target area for follow up based on (i) the observed mineralisation, (ii) its location along an inferred circa 2km ENE trending fault, and (iii) the stratigraphic level of the target near the base of the Reocín Formation. Further work to define drill targets at Pepita will likely include detailed geological mapping, structural interpretation and ground geophysics. The location of these rock chip samples in relation to the Reocín formation are shown Figure 3.

Figure 3. Map Showing Motilos and Pepita Rock Chip Samples Near the Base of the Reocín Formation (Blue)



Magdalena - Sinforosa

The Magdalena - Sinforosa target area is located on small hill in the south west of the Udias group of Prospects. The dolomite in this area is heavily karstified with many karsts likely considered to have hosted secondary zinc mineralisation which was exploited by historic miners in the nineteenth century. The karsts run between NNE and ENE and intersect and occur below an implied stratiform mineralised horizon which is indicated by a series of adits around the circumference of the hill. Rock (grab) sampling from these adits in Q4 2019 returned grades up to **32.9 % Zn 2.9 % Pb, 19.3 % Zn 3.0 % Pb and 31.7% Zn 3.12% Pb** (refer ASX Announcement 19 December 2019).

A total of 14 rock chip samples were taken during this campaign at the Magdalena and Sinforosa prospects, most of which were collected from outcrop (13) with a single underground sample from inside an adit. The assay results indicate that 12 samples returned positive Zn and Pb grades, with the highest single result from this campaign at **42.5% Zn and 1.5% Pb (CBRC0068)** from a calcite vein with sphalerite and galena within ferruginous dolostone (shown in 2). The highest Pb grade assay result from the laboratory is from sample **CBRC0085,** with a grade of **13% Pb**. The high tenor of the zinc and lead anomalies are partly supported by the historic mining in the area with multiple adits present at surface. All assay results from Magdalena and Sinforosa are shown in Table 5.

Table 5. Magdalena & Sinforosa Rock Chip Assay Results

Sample	Zn%	Pb%
CBRC0067	13.00	0.16
CBRC0068	42.50	1.50
CBRC0069	24.70	3.80
CBRC0071	25.40	1.90
CBRC0072	24.50	1.10
CBRC0082	11.10	1.00
CBRC0083	1.00	0.00
CBRC0084	18.20	2.40
CBRC0085	30.20	13.00
CBRC0086	31.30	3.80
CBRC0087	6.10	0.18
CBRC0088	0.07	0.00
CBRC0089	0.31	0.01
CBRS0070	23.20	4.50

Further geological investigation during the exercise identified continuation of the stratiform mineralisation identified in Q4 2019 to the NE where it was lost under cover. The outcropping stratiform mineralisation measures approximately 50cm in width, is exposed on both the NW and SE flanks of the ridge and is comprised of sphalerite and galena. Rock grab samples from this horizon returned grades up to **31.3 % Zn 3.8% Pb (CBRC0086)** and **30.2% Zn 13.0% Pb (CBRC0085).**

Figure 4. Map Showing Magdalena and Sinforosa Rock Chip Samples Near the Base of the Reocín Formation (Blue)

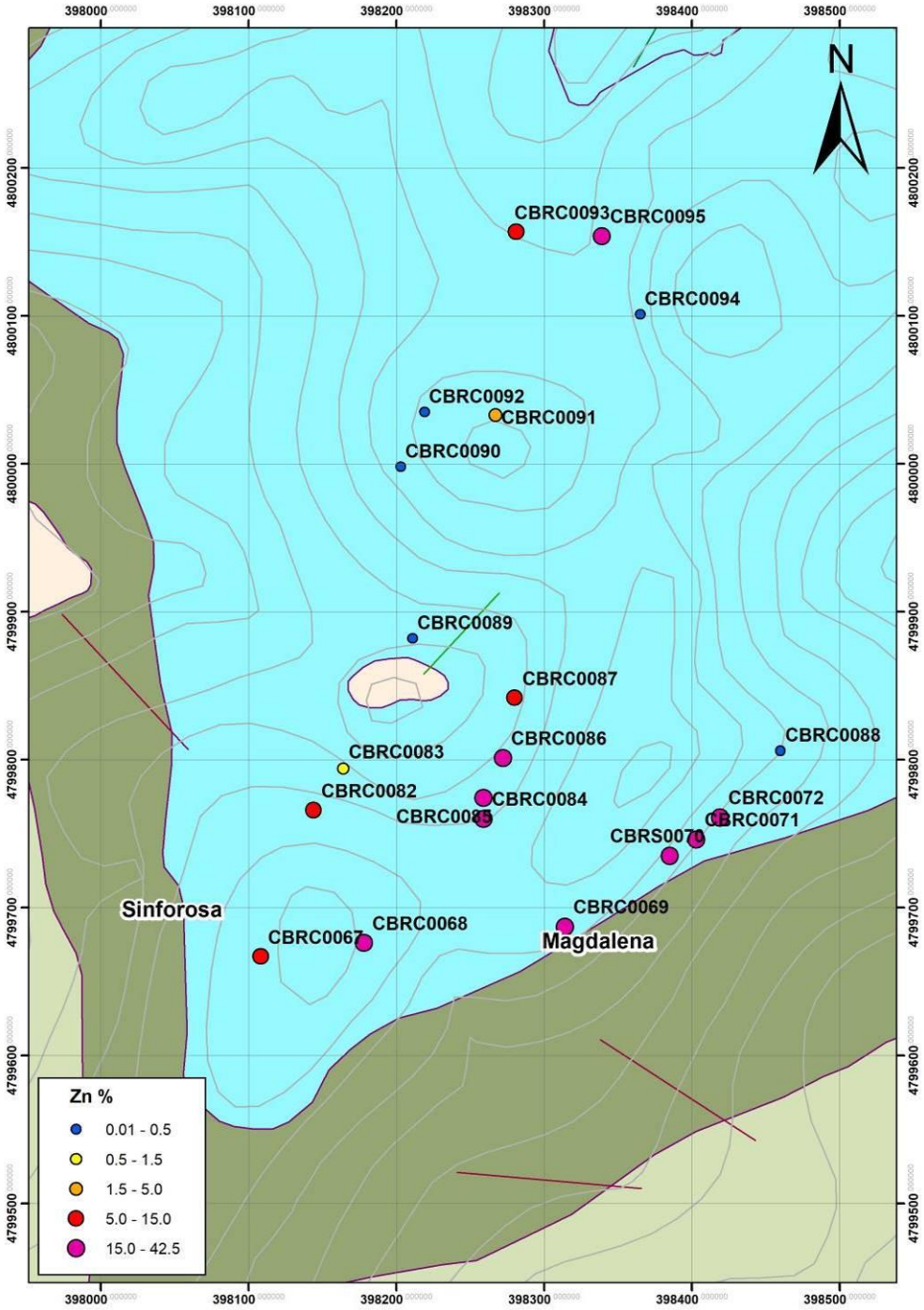


Photo 2.
Left: Photo of Entrance to Adit at Magdalena | Right: Fresh Exposed Mineralised Surface

Sofia

The soil sampling campaign north of the Magdalena – Sinforosa area and west of Jusfreno – Pozo Plomo area succeeded in identifying a new, discrete zinc anomaly. Two undocumented historic exploration adits were identified during the campaign in this area, and a review of the historic database found a single reference to this area as 'Sofia'.

The Sofia area occurs at a higher stratigraphic level than Magdalena Sinforosa, corresponding approximately to the Pozo Plomo target, located around 600m north east. The zinc-in-soil anomaly identified is likely to continue north east to Pozo Plomo and east to Jusfreno, and west and north west towards the Pepita target, tracking the outcrop of the Reocín Formation.

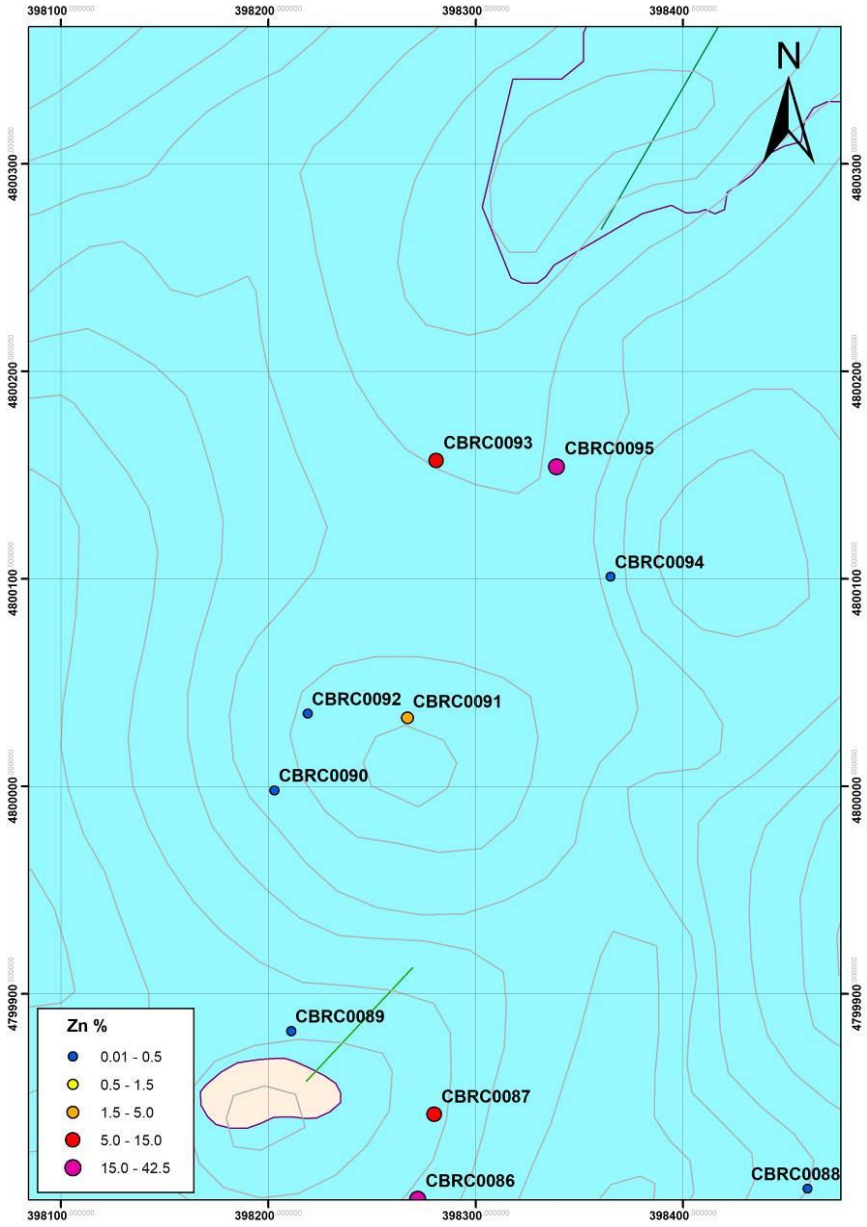
A total of six rock chip samples were taken at the Sofia prospect from primarily dolostone exposures with visible calcite veining and sulphides. The highest-grade results returned from this campaign were **15.8% Zn and 0.2% Pb (Samples CBRC0095 and CBRC0091 respectively)**. The locations of these samples and distribution of grades are shown in Figure 5.

Table 6. Sofia Rock Chip Assay Results

Sample	Zn%	Pb%
CBRC0090	0.15	0.00
CBRC0091	3.20	0.20
CBRC0092	0.01	0.00
CBRC0093	14.00	0.02
CBRC0094	0.49	0.13
CBRC0095	15.80	0.02

The mineralisation identified is considered to require further geological investigation and follow up exploratory sampling work.

Figure 5. Map Showing Sofia Rock Chip Samples within the Reocín Formation (Blue)



Fortuna

The Fortuna target is located in the north east of the project area, approximately 3.5 km north east along strike from the San Jose–Novales Mine. The target is located at the top of a north east striking ridge of oxidised dolomite of the Reocín Formation which dips moderately north west. A project scale NNE structure, potentially a thrust fault, is inferred on the western flank, parallel with the topography and coincident with the top contact of the formation with the overlying Peñosas Formation.

Deep subvertical karsts strike dominantly 020 degrees NNE and 120 degrees SE (Photo 3), reaching in excess of circa 20 - 30m in depth on the summit of the hill. It is understood that calamine ore was exploited from these karsts as a product of weathered primary mineralisation in a fault plane. Stratiform primary mineralisation has been identified adjacent to the karsts, which is proposed as a conduit to the mineralising fluid. Two rock samples from primary mineralisation and one from slightly oxidised mineralisation were taken from stratiform mineralisation in the area and returned **15.90% Zn 1.2% Pb (CRBC0114), 11.1% Zn 0.4% Pb (CBRC0116)**, and **20.6% Zn 1.4% Pb (CBRC0115) respectively.**

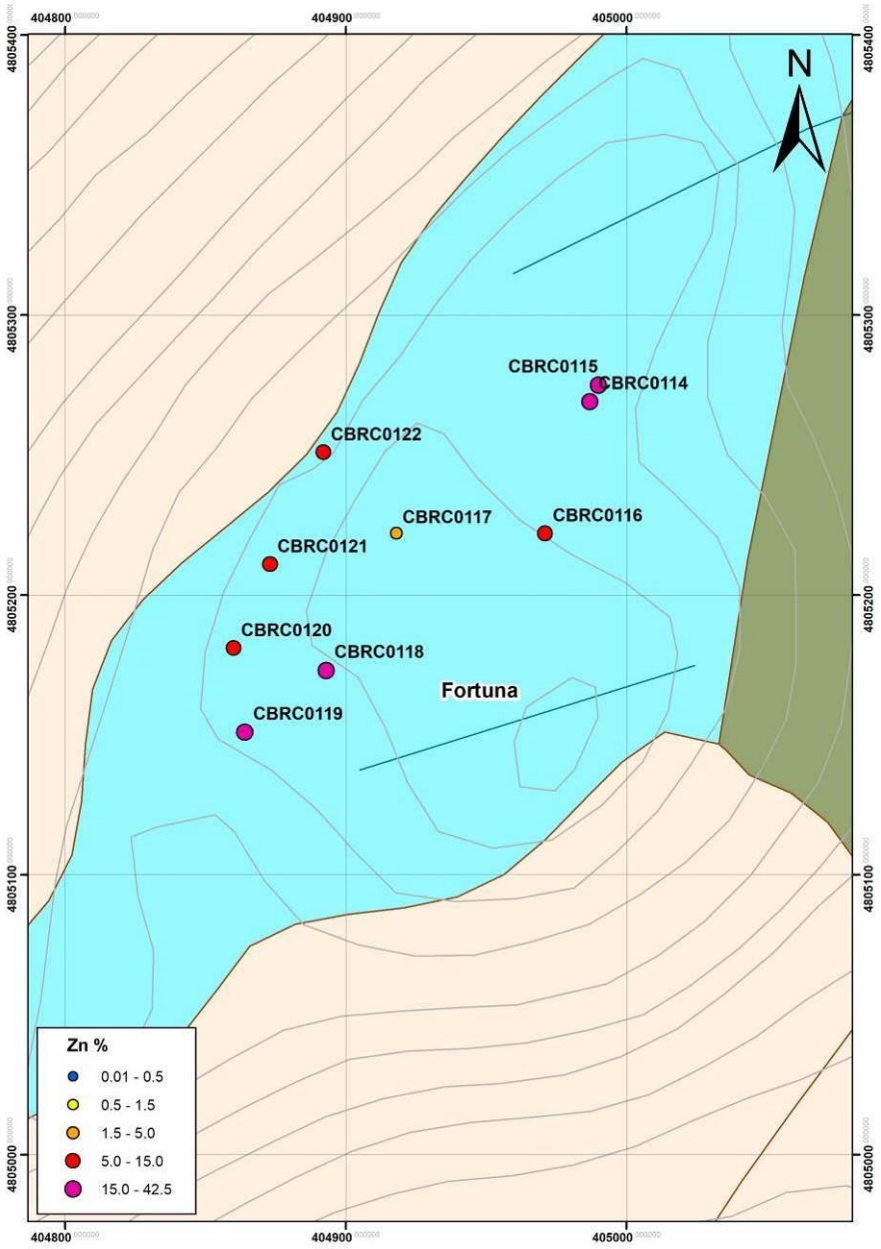
Photo 3. Photograph of Fortuna Terrain, Showing Karstic Formations

A second historic mining area is located to the west of the deeply karstified area described above. The mining broadly following stratigraphy up to circa 5m into the hill and up to approximately 1.5m in height. Mining waste covers much of the western slope of the hill. This area measuring approximately 100m in length and striking NNE was the subject of a reconnaissance exploration exercise by AZSA in the 1980s which consisted of basic geological mapping and channel sampling. Rock samples in this area returned **11.8% Zn 0.6% Pb (CBRC0120), 14.9% Zn 0.0% Pb (CBRC0121)** and **14.8% Zn 3.0% Pb (CBRC0122)** from fresh primary mineralisation. The assay results are summarised in Table 7 and the locations of all samples collected at Fortuna are shown in Figure 6.

Table 7. Fortuna Rock Chip Assay Results

Sample	Zn%	Pb%
CBRC0109	3.50	0.29
CBRC0114	15.90	1.20
CBRC0115	20.60	1.40
CBRC0116	11.10	0.35
CBRC0117	4.70	0.26
CBRC0118	15.80	4.30
CBRC0119	21.80	2.40
CBRC0120	11.80	0.60
CBRC0121	14.90	0.03
CBRC0122	14.80	3.00

Figure 6. Map Showing Fortuna Rock Chip Samples within the Reocín Formation (Blue)



The Fortuna area is considered a priority for follow up exploration to include detailed geological mapping and geophysics.

Photo 4. Hand Specimen Example of Galena and Sphalerite Mineralisation within Calcite Veining at Fortuna (approx. 5cm across)

La Rasa – Duña

The La Rasa area lies south of the historic Los Llagos and Duña mines and is predominantly within the Novales mining permit. The site is characterised by waste dumps generated during historic mining activity which is apparent at surface in the form of adits. The Duña mine area shows evidence of mineralisation at surface in the form of dolostone with disseminated galena within the historic small open pit.

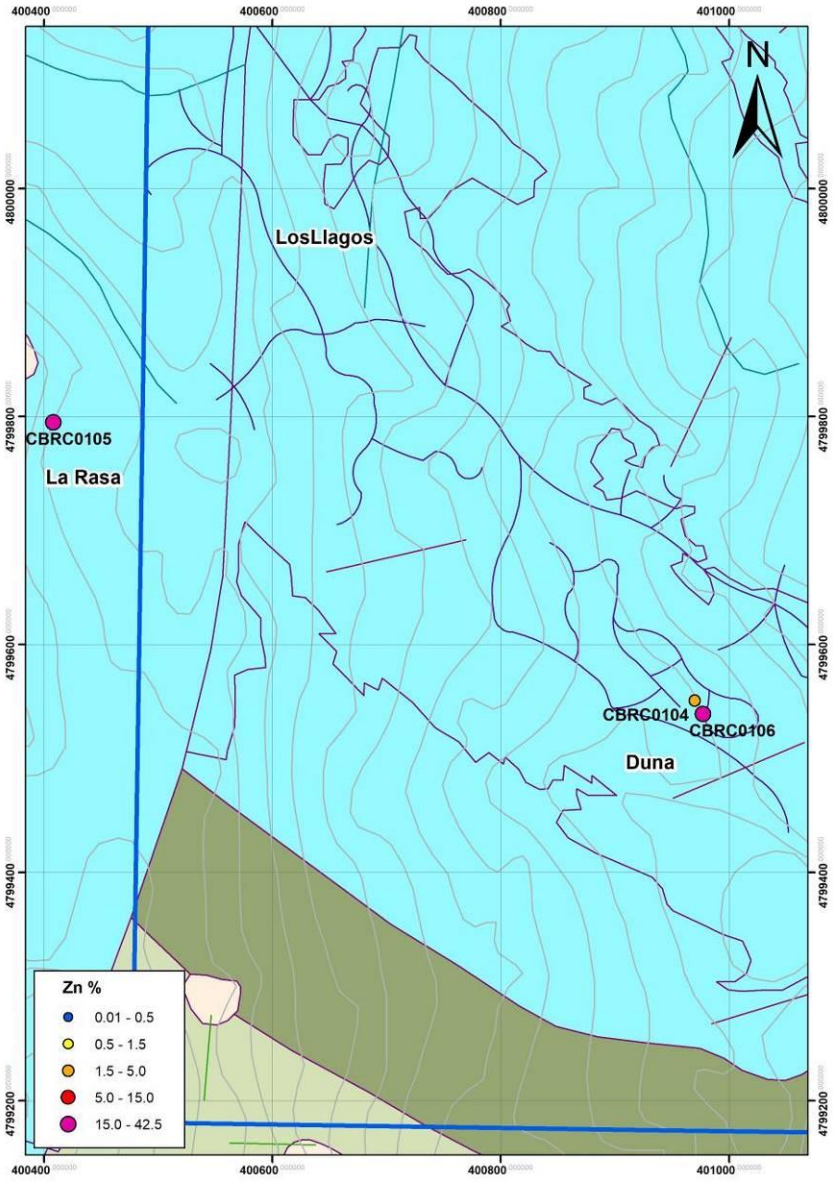
Of the three grab samples collected, two are from Duña waste dumps (**CBRC0104 and CBRC0106**) and one was taken from La Rasa waste dumps (**CBRC0105**), all samples are considered mineralised (**>1% Zn**) with peak results of **32% Zn and 3.9% Pb**. However, these samples were taken from historic waste dumps and could potentially show mineralisation in material that was not processed. The locations of all three samples are shown in Figure 7 in relation to the Reocín Formation and the assay results are summarised in Table 8.

Table 8. La Rasa and Duña Rock Chip Assay Results

Sample	Zn%	Pb%
CBRC0104	3.6	0.14
CBRC0105	32	0.5
CBRC0106	16	3.9

In the opinion of Variscan, there are significant grades indicated at both these historic mine waste dumps and further geological investigation is required to characterise the in-situ mineralisation geometry and representative grade.

Figure 7. Map Showing La Rasa and Duña Rock Grab Samples of Waste Dumps within the Reocín Formation (Blue)



Cautionary Statement

Five samples from three separate prospects (one from Esmeralda, two from Recce and one two from San Jose) have been omitted from the main body of this report. However, all raw assay results from the ALS laboratory are available in a summary table in Appendix 1 at the end of this document for transparency purposes.

Project Summary

The Novales-Udias Project is located in the Basque-Cantabrian Basin, some 30km south west from the regional capital, Santander. The advanced zinc project is centred around the former producing San Jose - Novales underground mine with a large surrounding area of exploration opportunities across the Buenahora exploration licence.

[1]*Novales-Udias Project Highlights (refer ASX announcement 29 July 2019)*

- 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[1][2])
- 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[3]
- Simple mineralogy of sphalerite – galena – calamine
- Ore is strata-bound, epigenetic, lenticular and sub-horizontal
- Reported historic production of super high grade 'bolsas' (ore bags) commonly 10-20% Zn and in some instances +30% Zn[4]
- Assay results of recent targeted samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb[5]
- Assay results of new samples taken over the licence area recorded[5]:
    - 33.16% Zn and 12.25% Pb at former workings near Brinia
    - 32.85% Zn and 7.69% Pb within the Motilos-Magdalena areas
    - 21.3% Zn and 3.85% Pb at former workings near Mina de Duña
- Dataset of historical surface and underground drilling results over 39,000m collated[6]
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

ENDS

[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: in Econ. Geol. v.98, pp. 1371-1396.

[2] 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.

[3] 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.

[4] Anecdotal evidence from original Novales miners interviewed during the WAI Due Diligence.

[5] Refer to ASX Announcement of 19 December 2019

[6] Refer to ASX Announcements of 01 April 2020, 16 March 2020 and 3 March 2020

For further information:

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

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.

Where the Company refers to the previous ASX Announcements relating to the Novales-Udias Project, and the historic exploration results and production data 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 that market announcement.

JORC Table 1, Sections 1 and 2 in reference to Rock Chip Sampling

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 representivity 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.*	**Rock Chip Samples** • Rock Chip samples were collected from outcropping rock which demonstrated probable or possible mineralisation indices. • Each sample consisted of between 5 and 20 random chips of rock collected from an area of up to 1m^2 recovered with a geological hammer and kept in a polyweave sample bag. • Samples consisted of up to 3kg material, averaging approximately 2 kg. • No measures were taken to ensure sample representativity and samples were subjected to strong human bias for selection of rock/material for sampling. • Determination of mineralisation was based on the observation and recognition of mineralisation indices typical of Mississippi Valley Type mineralisation style. • 48 out of a total of 55 rock chip samples were taken of in-situ material in sulphide rich dolomitic, fault zone, calcite vein or karst exposure both at surface and underground (historic workings). The remaining seven samples are grab samples and were taken from loose material at waste dumps or near a road exposure.
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).*	• N/A – drilling not conducted
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.*	• N/A – drilling not conducted
Logging	• *Whether core and chip samples have been geologically and*	• Rock chip and grab samples have not been logged to a level of detail appropriate to support Mineral Resource

Criteria	JORC Code explanation	Commentary
	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.*	estimation, mining studies and metallurgical studies.
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 representivity 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.*	**Rock Chip Samples** • Rock chip samples were not split prior to dispatch to the laboratory. Collected samples were sent in their entirety for ALS laboratory in Sevilla, Spain, for preparation. • All sample preparation was taken at the ALS laboratory in Sevilla, Spain. Laboratory preparation of rock samples included crushing, rotary split and pulverization. • No field duplicate rock samples were taken. • Sample sizes (average 2kg, up to 3kg) are considered appropriate for the grain size of the mineralisation; however, the selective nature in which they are sampled is biased and the sampling area is random dependant on the highest concentration of sulphides visible to the geologist sampling.
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.*	**ALS Internal QA/QC Analysis – Rocks Chip Samples** • Samples were analysed using ALS method ME-ICP61 which includes a four-acid digest (HF, HNO_3, $HClO_4$ and HCl) and analysis of 33 elements by atomic emission spectroscopy (AES). • ME-ICP61 has ranges of 2 to 10,000ppm for both Zn and Pb. • Samples returning over 10,000 Zn or Pb were subsequently analysed with method Zn-OG62h and Pb-OG62h respectively, with ranges up to 30% Zn and 20% Pb respectively. • Laboratory QAQC procedures include Lab Duplicates, Lab Standards and Blanks. Acceptable levels of bias and precision were established within this campaign. • Due to the nature of the rock grab sampling campaign no further company quality control procedures were adopted. • The laboratory assay procedures are considered appropriate to the mineralisation style at this project and the purpose of both the rock grab sampling and quality control component of the soil campaign. • A 4-acid digest is considered a "near total" method for analysis and is considered appropriate for the

Criteria	JORC Code explanation	Commentary
		mineralisation style at this project.
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.*	• No attempts to verify high grade rock samples have been made with duplicate sampling (twinned sampling). • All field observations and descriptions were recorded in field notebooks and translated to an excel file with X and Y co-ordinates. • No adjustment to assay data/results have been made. All results presented are as provided by ALS laboratory.
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.*	• Rock sample locations were recorded with a handheld GPS with an accuracy of approximately ±5m. • X and Y co-ordinates were recorded in WGS84 Zone 30North. • No Z (elevations) were assigned to these samples at this stage for plotting in GIS software.
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.*	• Rock sample locations were not assigned a defined spacing. • Soil sample locations were determined in the field by the geologist and are insufficient to establish a degree of geological and grade continuity appropriate for Mineral Resource estimation. • No compositing was applied, all assay results are quoted as raw data from the ALS laboratory.
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.*	• Sample locations were selected within visible mineralisation only, these take the form of stratiform mineralised dolomite outcrops, fault zones and any sulphide rich zones. No attempt was made to ensure unbiased sampling of possible structures or align with mineralised domains within stratigraphy. • A sampling bias was introduced during selection of rock chip sampling.
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected in polyweave bags that were sealed and sent directly to the laboratory (ALS Sevilla) via a recorded courier.
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.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral	• *Type, reference name/number,*	• The exploration permit "Buenahora" is held by

Criteria	JORC Code explanation	Commentary
tenement and land tenure status	*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.*	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.*	• Historic exploration in the area was undertaken by RCA de Minas until the early 1980s, Asturiana de Zinc SA until the late 1990s (AZSA) and Hispanibal until circa 2002. This exploration has taken the form of underground channel samples and surface/underground drillholes.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation at the project is considered a Mississippi Valley Type Lead-Zinc type with associated structural and stratigraphic controlled carbonate dissolution and replacement Lead-Zinc 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 into dolomite sequences of the Reocín formation. 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' (bolsas) with lenticular geometry.
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 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.*	• This report does not cover drilling results. • Historic drilling on the properties undertaken by previous mining and exploration companies are detailed in the News Release from the 1st April 2020 "Further Multiple High-Grade Zinc Historic Drilling Results".
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material*	• Aggregation of sampling intervals have not been taken for these rock chip samples. • No metal equivalent grades have been used for reporting of rock chip grades.

Criteria	JORC Code explanation	Commentary
	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.*	• No capping of high-grade samples has been used for these exploration results.
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').*	• Samples are not representative of true width of mineralisation and are a snapshot only of visibly high-grade mineralisation at each prospect. • Geometry of mineralisation at each prospect is inferred at this stage (until detailed mapping, drilling and interpretation has been completed) and samples may not represent true thickness and orientation of structures with significant Zn and Pb grades.
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.*	• GIS plan view maps of the locations of all 52 samples with X and Y co-ordinates are demonstrated by Figures 1 through 7 in the main body of this report. • All samples have been tabulated for all prospects in Appendix 1 at the end of this document.
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.*	• All samples have been tabulated for all prospects in Appendix 1 at the end of this document.
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 often eludes to assay values from multiple historic underground drill holes. These drillholes have been reported in the News Release from the 1st April 2020 "Further Multiple High-Grade Zinc Historic Drilling Results". • 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 (e.g. 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*
		• Subsequent planned exploratory work includes
		  ○ Infill of historic soil geochemistry sampling grids;
		  ○ Geological mapping of prospects within the Buenahora licence area;
		  ○ Compilation of additional records of historical drillholes; and
		  ○ Generation of drilling targets and

Criteria	JORC Code explanation	Commentary
	sensitive.	subsequent drilling to delineate extents of mineralisation.

APPENDIX 1

Complete Table of All Rock Chip and Grab Assay Results

SAMPLE_ID	Weight (kg)	SAMPLE DESCRIPTION	X	Y	Date	Prospect Name	Zn %	Pb %
CBRC0067	1.8	Outcrop outside of a small adit. Dolostone with calcite veining (up to 1 cm) and sphalerite/galena mineralization along the calcite veins. Veins are sub-vertical 8NE and 300NW	398108	4799667	20/02/2020	Magdalena	13.00	0.16
CBRC0068	3.2	Underground, above of fracture at the end of the adit. Dolostone ferruginous with calcite veining (up to 1 cm) and sphalerite/galena mineralization along the calcite veins. Veins are horizontal	398178	4799676	21/02/2020	Magdalena	42.50	1.50
CBRC0069	1.5	Outcrop samples dolostone near a fracture striking 46NE. Sphalerite/galena mineralization in dolostone 30 cm wide. Calcite veins up to 3 cm. 46NE strike	398314	4799687	22/02/2020	Magdalena	24.70	3.80
CBRC0071	1.4	Outcrop samples dolostone. Sphalerite/galena mineralization in dolostone 1 m wide. Calcite veins. 46NE strike	398403	4799746	24/02/2020	Magdalena	25.40	1.90
CBRC0072	1.8	Outcrop samples dolostone. Sphalerite/galena mineralization in dolostone 1 m wide. Calcite veins. 46NE strike	398419	4799761	25/02/2020	Magdalena	24.50	1.10
CBRC0073	1.5	Adit access into Jufresno. Clay-filled fault in dolostone. Galena mineralisation 1.2 m wide. Highly ferruginous dolostone	398740	4800181	26/02/2020	Jufresno	30.10	18.20
CBRC0074	1	Adit access into Jufresno. Two types of mineralization control - a) sphalerite mineralisation with calcite in fined grained dolostone; b) galena mineralization in highly ferruginous dolostone	398787	4800240	27/02/2020	Jufresno	17.30	2.70

CBRC0075	1	Karst hole 15x40m and 3m deep. Highly oxidised dolostone with pyrite mineralisation	398645	4800560	28/02/2020	Pozo Plomo	0.13	0.03
CBRC0076	1.4	Adit 60NE, underground. Sample taken from fallen rocks in the roof. Highly weathered and ferruginous dolostone with galena mineralisation.	398195	4800692	29/02/2020	Pepita	38.60	2.50
CBRC0077	0.8	Adit 110SE, underground. Sample taken on the right wall 15m from the entrance . Sphalerite mineralisation in fined grained dolostone, calcite.	398334	4800660	01/03/2020	Pepita	22.40	1.00
CBRC0078	0.5	Outcroping weathered dolostone. No visible mineralisation. Dolostone permeated by a system of calcite veins oriented 105SE	398466	4800665	02/03/2020	Pepita	0.09	0.00
CBRC0079	0.9	Outcroping weathered dolostone. Zn mineralisation in fine grained dolostone along the calcite veins.	398335	4800703	03/03/2020	Pepita	5.10	0.02
CBRC0080	1.5	Small surface workings in dolostone. Zn mineralisation in fine grained dolostone, calcite/dolomite veining. Dipping 140SE/15	398288	4800772	04/03/2020	Pepita	7.50	0.12
CBRC0081	1.6	Fracture in massive limestone 30m long 2m wide. Dolostone is cemented by clay in limestone fracture, also clay rich in Fe with calcite veins	397621	4800745	05/03/2020	Esmeralda	0.52	0.00
CBRC0082	1.6	Outcrop, sample 10 m SE from the adit 156SE. Calcite strings in fined grained dolostone with visible mineralization Galena and Sphalerite	398144	4799766	06/03/2020	Magdalena	11.10	1.00
CBRC0083	1.8	Outcrop ferruginous dolostone. Dolostone with high calcified horizontal veins 320/17. Possible Zn mineralization 20 cm	398164	4799794	07/03/2020	Magdalena	1.00	0.00
CBRC0084	1.7	Outcrop dolostone with calcite veins. Galena mineralization in a fracture 5 cm wide. Above dolostone with calcite veins (with Zn?)	398259	4799760	08/03/2020	Magdalena	18.20	2.40

CBRC0085	1.6	Outcrop of fine grain dolostone. Dolostone with Pb-Zn mineralisation and calcite veins. Continuous mineralisation of CBRC0084	398259	4799774	09/03/2020	Magdalena	30.20	13.00
CBRC0086	2.2	Outcrop of fine grain dolostone. Dolostone with Pb-Zn mineralization and calcite veins. Continuous mineralization of CBRC0085 and 84	398272	4799801	10/03/2020	Magdalena	31.30	3.80
CBRC0087	1.3	Outcrop of fine grain dolostone. Dolostone with Pb-Zn mineralisation and calcite veins. Continuous mineralisation from CBRC0084 to 87	398280	4799842	11/03/2020	Magdalena	6.10	0.18
CBRC0088	1.3	Outcrop dolostone. Dolostone sample rich in calcite veins. No visible mineralization	398460	4799806	12/03/2020	Magdalena	0.07	0.00
CBRC0089	1.7	Outcrop dolostone 1.6 m. Outcropping 40cm of high ferruginous dolostone with thin calcite veining 65NE/12. No visible mineralisation	398211	4799882	13/03/2020	Magdalena	0.31	0.01
CBRC0090	1.2	Outcrop dolostone 1*2 m. Ferruginous dolostone with calcite veins up to 1 cm. Az 7 NE. No visible mineralisation	398203	4799998	14/03/2020	Sofia	0.15	0.00
CBRC0091	1.4	Possible old trench 80 m long Az 300 NW. White dense dolostone Zn-Pb mineralisation. Calcite veins 2 mainly directions 26 NE and 64 NE up to 3.5 cm	398267	4800033	15/03/2020	Sofia	3.20	0.20
CBRC0092	1.9	Western part of possible trench. Brown dolostone is full of calcite veins without a specific orientation. Locally dolomite breccia cemented by calcite. No visible mineralisation	398219	4800035	16/03/2020	Sofia	0.01	0.00
CBRC0093	1.9	Small surface workings in dolostone.. Ferruginous silicified very dense dolostone with mineralisation 20 cm wide. Strike 48 NE.	398281	4800157	17/03/2020	Sofia	14.00	0.02
CBRC0094	0.9	Outcrop dolostone. Ferruginous dolostone with calcite veins up to 0.5 cm. No visible mineralization	398365	4800101	18/03/2020	Sofia	0.49	0.13

CBRC0095	1	Outcrop dolostone. Calcified dense dolostone with mineralization	398339	4800154	19/03/2020	Sofia	15.80	0.02
CBRC0096	1.2		398803	4800178	20/03/2020	Jufresno	19.80	2.40
CBRC0097	2		398820	4800177	21/03/2020	Jufresno	5.90	0.25
CBRC0098	1.5		397957	4800918	22/03/2020	Motilos	0.22	0.00
CBRC0099	1.3		397927	4800951	23/03/2020	Motilos	29.50	3.20
CBRC0100	1		397921	4800937	24/03/2020	Motilos	14.40	1.10
CBRC0101	0.8	Side wall of karst with apparent fresh mineralisation on wall rock. If positive follow up to delineate extents of this - would be odd to have unchased fresh mineralisation.	398217	4800782	20/03/2020	Pepita	12.30	0.15
CBRC0102	0.5	Recce sample from side of road - western side of anticline above San Jose, west of Andrea.	402957	4803021		Recce	0.03	0.00
CBRC0103	0.9	Recce sample from side of road - western side of anticline above San Jose, west of Andrea.	402938	4803036		Recce	0.03	0.00
CBRC0104	0.9	Waste Dump, Duna. Relatively rare dense red rock - could be red calimine (Smithsonite) - sampled to assess grade	400970	4799551	14/04/2020	LaRasa	3.60	0.14
CBRC0105	0.9	Waste Dump, La Rasa. General oxidised dolomite. Assayed to see if mineralisation remains.	400408	4799795	14/04/2020	LaRasa	32.00	0.50
CBRC0106	0.5	Waste Dump, Duna. Oxidised bortyoidal rock - probably oxidised sphalerite.	400977	4799539	14/04/2020	LaRasa	16.00	3.90
CBRC0107	0.9	High grade sample, from road near Andrea - grade assessment - this is likely to be San Jose or Andrea waste rock				SanJose	18.90	1.70
CBRC0108	0.8	High grade sample, from road near Andrea - grade assessment - this is likely to be San Jose or Andrea waste rock				SanJose	18.60	1.40

CBRC0109	0.4	Oxidised material which sometimes has sphal veins (not in sample) sample to test this orange material matrix for Zn - is it fine disseminated sphal now altered ?				Fortuna (Brincia)	3.50	0.29
CBRC0111	1.3		398101	4800934	25/03/2020	Motilos	17.40	1.10
CBRC0112	1.5		398096	4800965	26/03/2020	Motilos	15.60	0.31
CBRC0113	1.4		398113	4800848	27/03/2020	Motilos	9.20	0.76
CBRC0114	1.4		404987	4805269	28/03/2020	Fortuna (Brincia)	15.90	1.20
CBRC0115	1.3		404990	4805275	29/03/2020	Fortuna (Brincia)	20.60	1.40
CBRC0116	1.1		404971	4805222	30/03/2020	Fortuna (Brincia)	11.10	0.35
CBRC0117	1.3		404918	4805222	31/03/2020	Fortuna (Brincia)	4.70	0.26
CBRC0118	1.6		404893	4805173	01/04/2020	Fortuna (Brincia)	15.80	4.30
CBRC0119	1.4		404864	4805151	02/04/2020	Fortuna (Brincia)	21.80	2.40
CBRC0120	1		404860	4805181	03/04/2020	Fortuna (Brincia)	11.80	0.60
CBRC0121	1.4		404873	4805211	04/04/2020	Fortuna (Brincia)	14.90	0.03
CBRC0122	1.5		404892	4805251	05/04/2020	Fortuna (Brincia)	14.80	3.00
CBRS0070	0.8	Outcrop samples dolostone. Sphalerite/galena mineralization in dolostone 1 m wide. Calcite veins. 46NE strike	398385	4799735	23/02/2020	Magdalena	23.20	4.50