



DISCOVERY OF MULTIPLE HIGH-GRADE ZINC-LEAD LENSES AT THE SAN JOSE MINE

Highlights

- **Underground drilling has intersected high grade zinc mineralisation above and below the mine stopes in the Central Zone of the San Jose Mine**

La Caseta Trend

- **Discovery of a new laterally extensive, high-grade mineralised lens below the main gallery level, underlying the known mineral trend, which remains open:**
 - **DDH NOVDD027: 16.9m @ 12.5% Zn + 2.0% Pb**
 - **DDH NOVDD028: 15.6m @ 3.2% Zn + 0.3% Pb**
- **High-grade mineralisation above gallery level:**
 - **DDH NOVDD025: 7.0m @ 8.3% Zn + 0.1% Pb**
- **Further drilling over 400m length testing southward extent of the lower lens now completed:**
 - **The majority of holes exhibit positive visual zinc mineralisation**
 - **Assay results for additional 20 drillholes expected shortly**

168-177 Trend

- **Discovery of new mineralised lens below main gallery level:**
 - **DDH NOVDD017: 5.0m @ 14.2% Zn + 4.3% Pb**
 - **DDH NOVDD015: 5.0m @ 11.4% Zn + 2.8% Pb**
- **High-grade mineralisation above gallery level:**
 - **DDH NOVDD018: 5.0m @ 16.5% Zn + 1.7% Pb**
 - **DDH NOVDD014: 4.2m @ 15.4% Zn + 5.0% Pb**
- **Remainder of mine mostly untested at depth, providing potential for further discoveries of high-grade mineralised lenses. The proximity of mineralised lenses enables cumulative tonnage increases.**

Figure 1a. Plan view of selected mineralised intersections in the La Caseta and 168-177 Trends

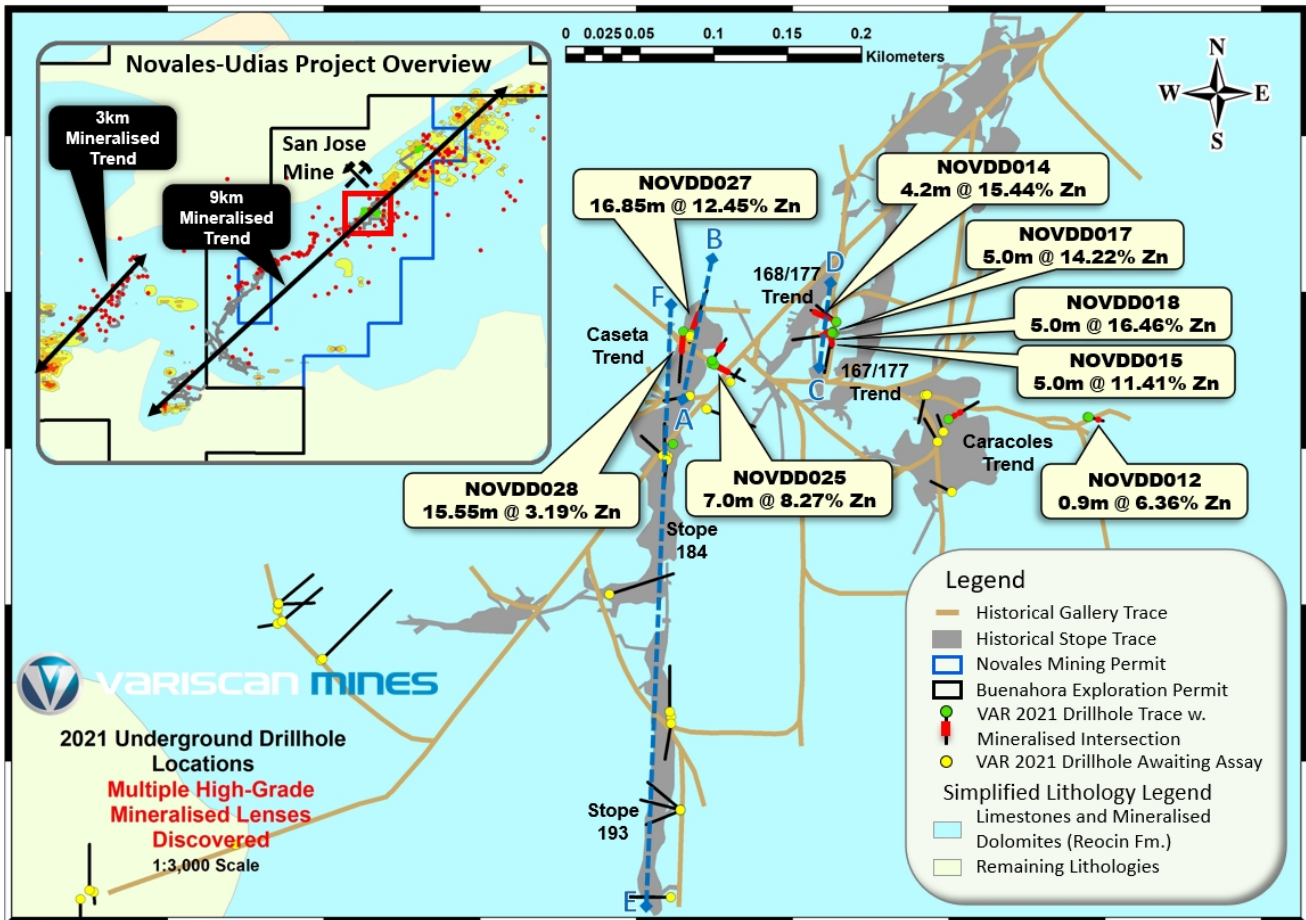
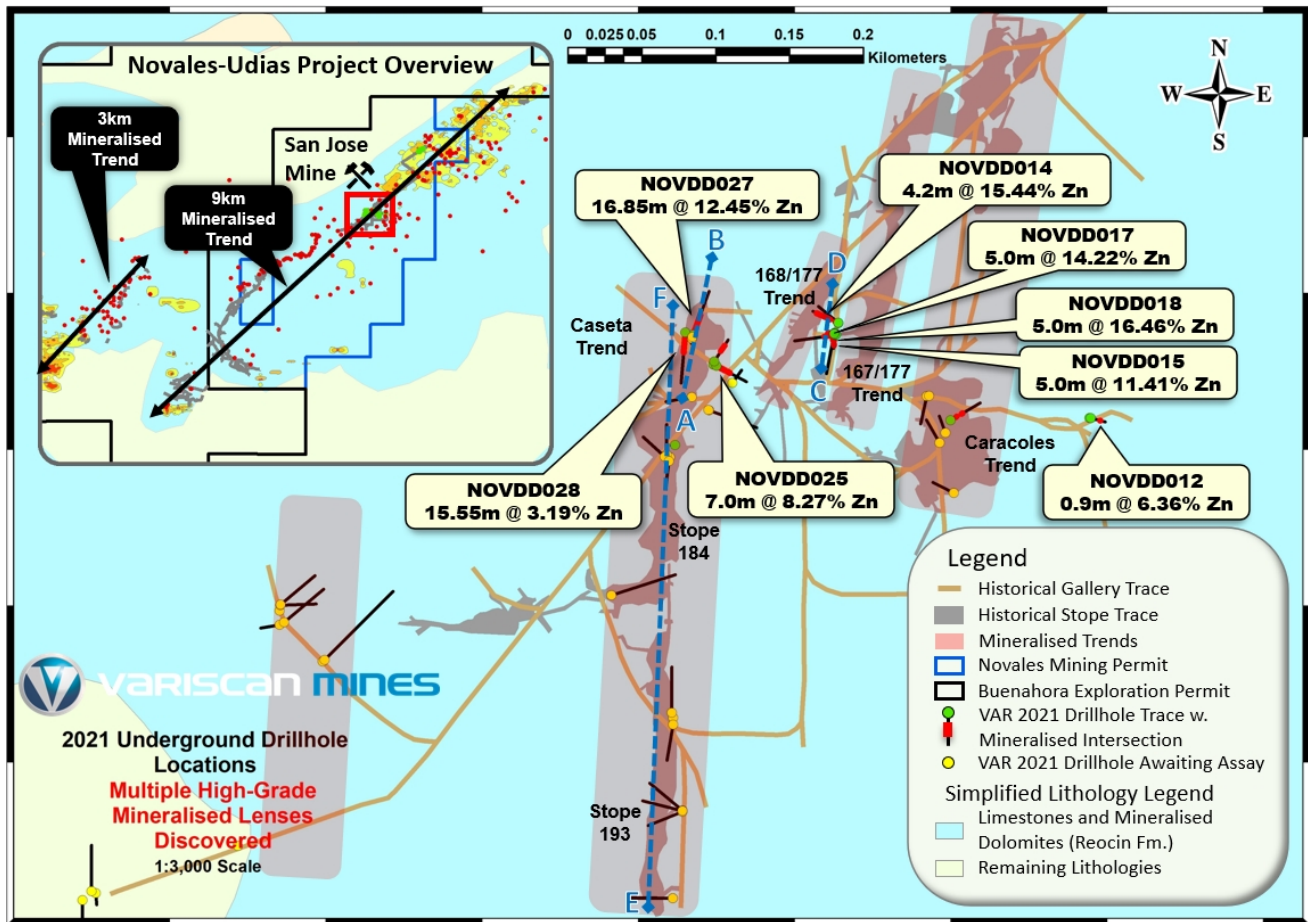


Figure 1b. Plan view of selected mineralised intersections in the La Caseta and 168-177 Trend, with mineralised trends indicated



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

“The discovery of new high-grade mineralised lenses below the main gallery is a major development for Variscan. It suggests significant potential for discovering additional lenses throughout the San Jose Mine as the remainder of the mine has had barely any drilling to test for lower lying lenses. In aggregate, that could provide considerable scale and tonnage potential.

Additionally, it reinforces the conceptual model of San Jose as a multi-layered orebody, consisting of multiple vertically stacked, sub-horizontal high-grade mineralised lenses of variable thickness and geometry, separated by intervals of dolostone. This is typical of a classical MVT style deposit and similar to the nearby, world class Reocin Mine; this further illustrates the quality of this deposit.

We will be following up these excellent drill results with further assays from drilling over the southward extent of the lower lens below the La Caseta Trend promptly.”

Variscan Mines Limited (“**Variscan**” or the “**Company**” or the “**Group**”) (ASX:VAR) is pleased to announce that the assay results from underground drilling at the San Jose Mine have discovered mineralised lenses below areas of known mining activity in two separate north-south trends of the Central Zone.

Key Findings & Activities

- Drilling has discovered new zinc-rich mineralised lenses in the Central Zone of the San Jose Mine
- Identified multiple horizons with mineralisation occurring as a series of vertically stacked, flat-lying lenses, consistent with the generally stratiform-stratabound character of sulphide orebodies in MVT Pb-Zn districts¹
- Southward extension of the La Caseta Trend has been drill-tested with multiple reports of visible high-grade zinc mineralisation from core logging
- Further core samples from 20 drillholes have been submitted to ALS for assay testing; results are pending
- Diamond drilling now complete in the Central Zone
- Drilling in South West Zone has just been completed and assays are pending
- A total of 73 drillholes for 2,087 metres have been drilled during this campaign to date

Exploration Potential

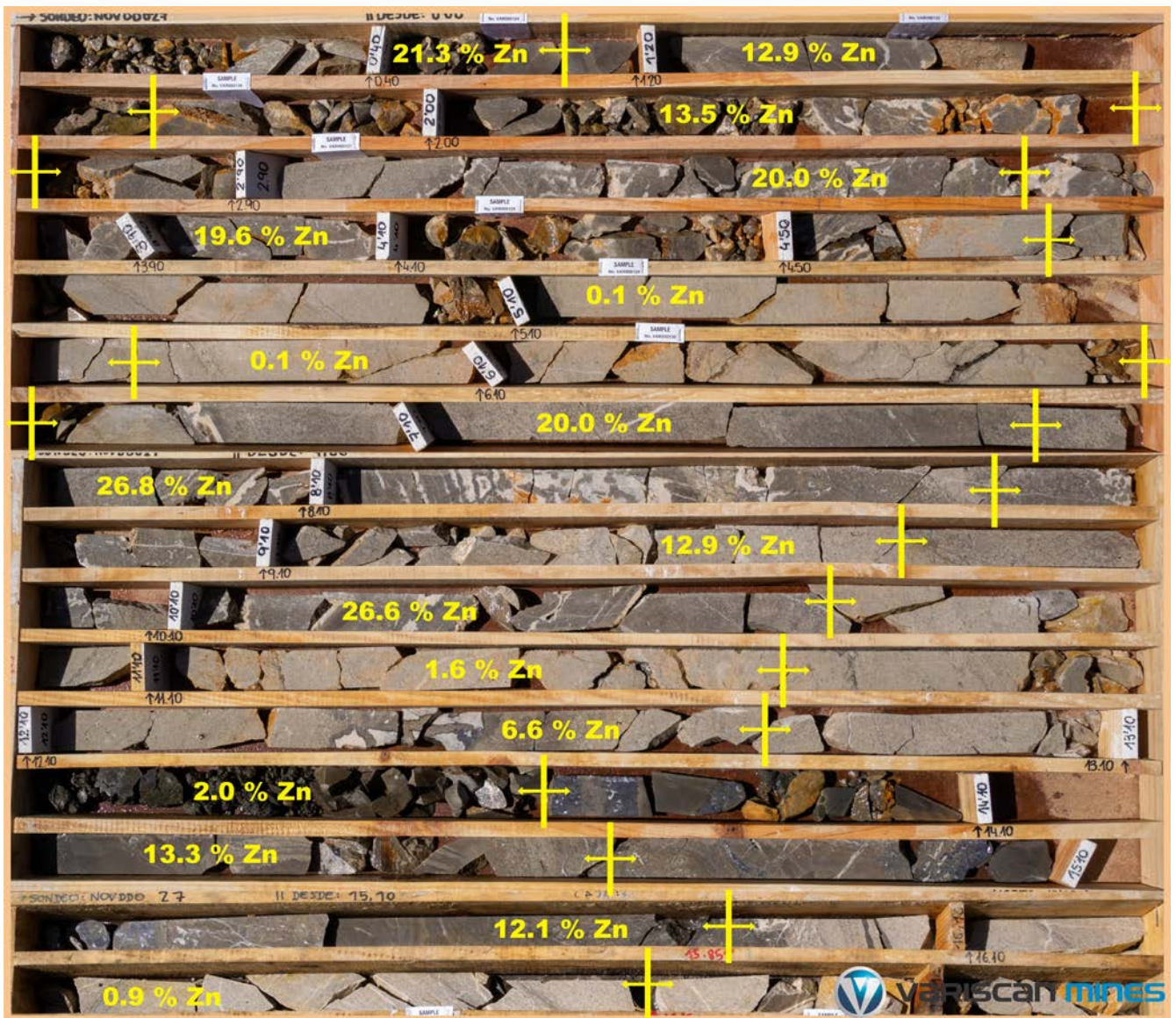
- Potential for high-grade mineralization extending below the former producing mine; majority of the mine has not been drill-tested at depth providing excellent scale opportunity
- The zinc-dominant mineralisation is strongly structurally-controlled by a system of steeply-dipping north-south and east-west oriented feeder faults. It occurs as pervasive replacement of favorable shallow-dipping carbonate horizons that were both chemically reactive and permeable to the mineral bearing fluids; as well as open-space filling of paleo-karstic cavities, breccias and fractures, and as disseminated sulphides. This is consistent with the nearby (~9km) Reocin Mine which is the largest known strata-bound carbonate-hosted Zn-Pb deposit in Spain² and one of the world’s richest MVT deposits³

¹ Rong Ma (2018) ‘Study on geological features and exploration methods of MVT Pb-Zn deposits’ IOP Conf. Ser: Earth Environ. Sci. 108 032010

² Velasco, F., Herrero, J.M., Yusta, I., Alonso, J.A., Seebold, I. and Leach, D., (2003) ‘Geology and Geochemistry of the Reocin Zinc-Lead Deposit, Basque-Cantabrian Basin, Northern Spain’ Econ. Geol. v.98, pp. 1371-1396.

³ Leach, D.L., Sangster, D.F., Kelley, K.D., Large, R.R., Garven, G., Allen, C.R., Gutzner, J., Walters, S., (2005) ‘Sediment-hosted lead-zinc deposits: a global perspective’. Econ. Geol. 100th Anniversary Special Paper 561 607

Figure 2. Diamond Drill Core from NOVDD027 illustrating massive sphalerite in dolostone



La Caseta Trend

Figure 3. Cross Section of underground drilling at La Caseta

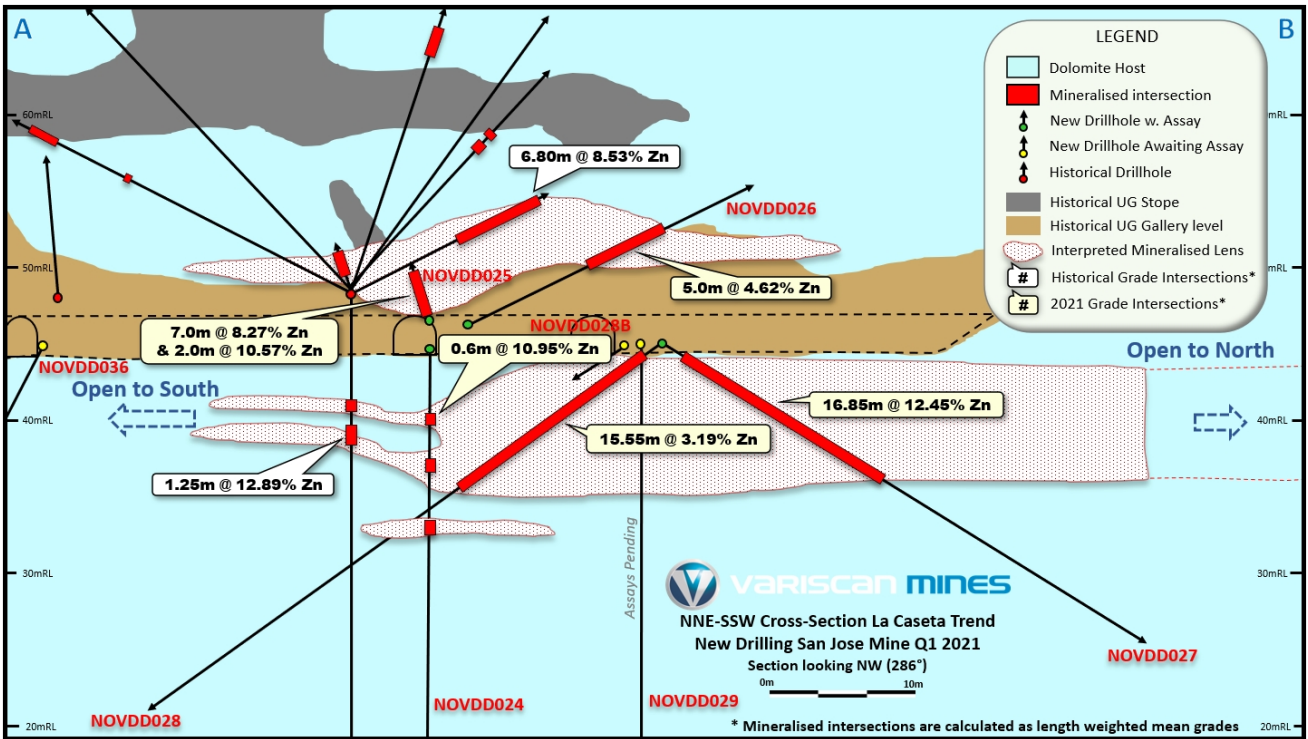
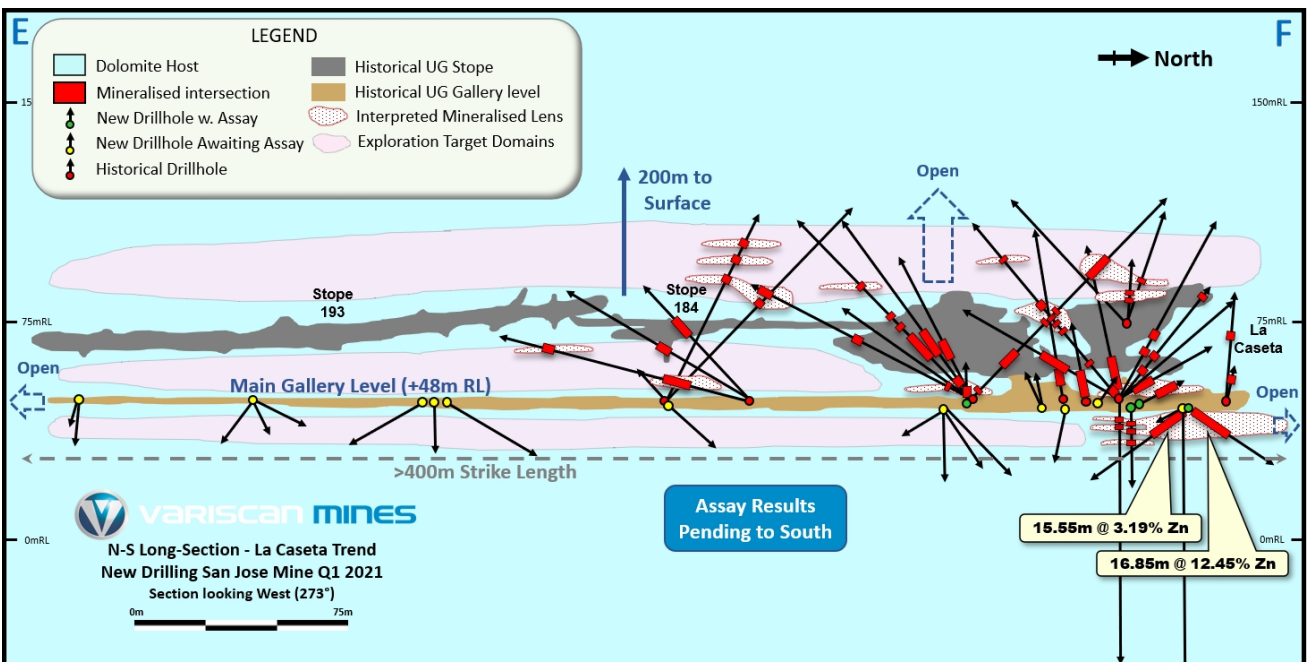
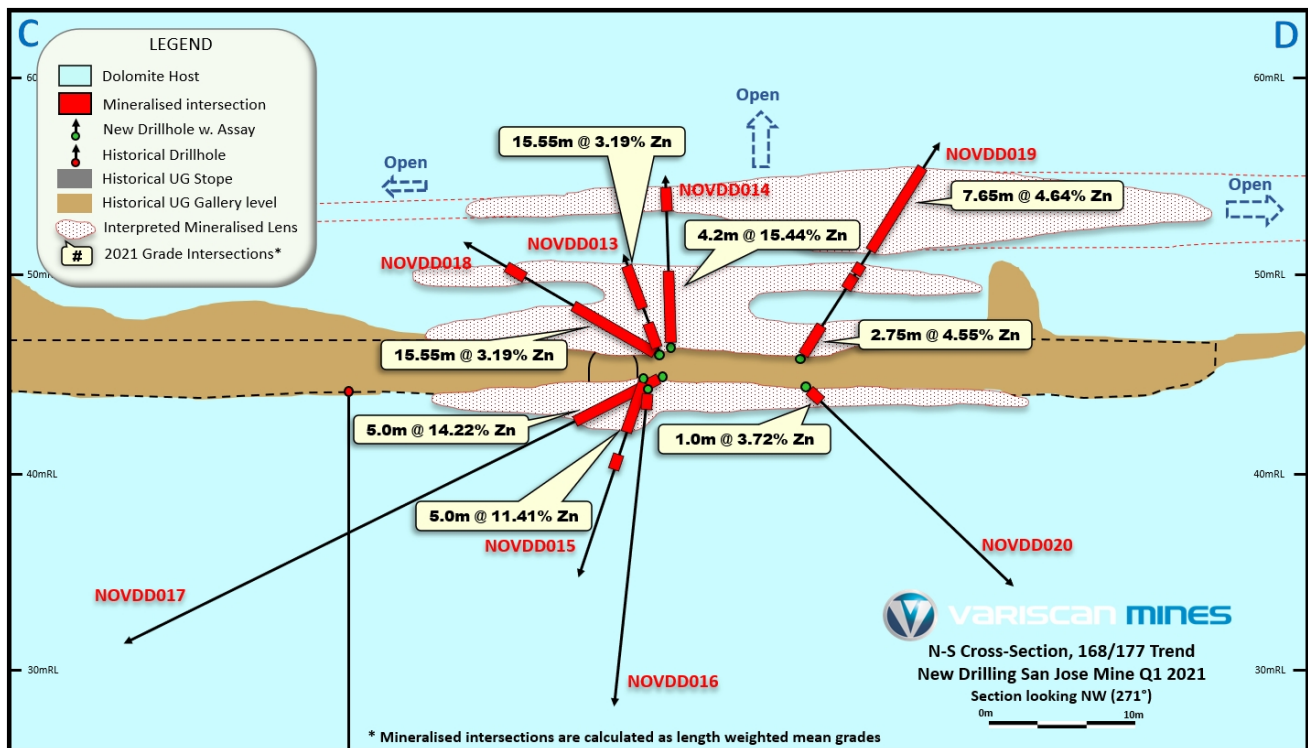


Figure 4. N-S Long-Section of underground drilling at La Caseta



168-177 Trend

Figure 5. Cross Section of underground drilling at the 168-177 Trend



Looking Ahead

The Company's immediate focus is progressing with the following key activities:

- Receiving and interpreting assay results from drilling at the Central Zone of the San Jose Mine
- Submitting assay results from drilling at the South West Zone of the San Jose Mine
- Mapping and sampling of surface drill targets over the Buenahora license area
- Surface drilling permitting application pending
- Surface drilling in Q2/Q3 2021
- Mapping and sampling of targets over the Guajaraz Project in Castilla La Mancha

ENDS

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

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Project Summary

The Novales-Udias Project is located in the Basque-Cantabrian Basin, some 30km southwest from the regional capital, Santander. The project is centred around the former producing Novales underground mine with a large surrounding area of exploration opportunities which include a number of satellite underground and surface workings and areas of zinc anomalism identified from recent and historic geochemical surveys. Variscan has delineated a significant 9km mineralised trend and a sub-parallel 3km trend from contemporary and historical data across both the Buenahora exploration and Novales mining permits.

Significantly, the Novales-Udias Project includes a number of granted mining tenements⁴.

Novales-Udias Project Highlights

- Near term zinc production opportunity (subject to positive exploratory work)
- Large tenement holding of 68.3 km² (including a number of granted mining tenements)
- Regional exploration potential for another discovery analogous to Reocin (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb^{5,6})
- 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% Zn⁷
- Simple mineralogy of sphalerite – galena – calamine
- Mineralisation is strata-bound, epigenetic, lenticular and sub-horizontal
- Reported historic production of super high grade ‘bolsas’ (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn⁸
- Assay results of recent targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb⁹
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

Notes

Variscan Mines Limited (ASX:VAR) is a growth oriented, natural resources company focused on the acquisition, exploration and development of high-quality strategic mineral projects. The Company has compiled a portfolio of high-impact base-metal interests in Spain, Chile and Australia.

The Company’s name is derived from the Variscan orogeny, which was a geologic mountain building event caused by Late Paleozoic continental collision between Euramerica (Laurussia) and Gondwana to form the supercontinent of Pangea.

⁴ Refer to ASX announcement of 29 July 2019

⁵ 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.

⁶ 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.

⁷ These figures have been taken from historical production data from the School of Mines in Torrelavega historical archives.

⁸ Reports of the super high-grade mineralisation are supported with historical production data from the School of Mines in Torrelavega historical archives. (Refer ASX release 29 July 2019)

⁹ Refer to ASX Announcement of 19 December 2020

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

Competent Person Statement

The information in this document that relates to technical information about the Novales-Udias project is based on, and fairly represents information and supporting documentation compiled and reviewed by Dr. Mike Mlynarczyk, Principal of the Redstone Exploration Services, a geological consultancy acting as an external consultant for Variscan Mines. Dr. Mlynarczyk is a Professional Geologist (PGeo) of the Institute of Geologists of Ireland, and European Geologist (EurGeol) of the European Federation of Geologists, as well as Fellow of the Society of Economic Geologists (SEG). With over 10 years of full-time exploration experience in MVT-style zinc-lead systems in several of the world's leading MVT provinces, Dr. Mlynarczyk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ('JORC Code'). Dr. Mlynarczyk consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

Forward Looking Statements

Forward-looking statements are only predictions and are not guaranteed. They are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of the Company. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ from those referred to in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this announcement will occur as contemplated.

JORC Table 1, Sections 1 and 2

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Drilling being reported has been sampled with industry best practice methods (diamond drilled core cut along its length to produce half core) and samples were sent to the accredited ALS Seville laboratory for analysis. The samples are considered representative and include waste intervals on the periphery of mineralised intersections. It is assumed that the equipment used was calibrated correctly as per the internal SOP's at ALS. The new drillholes reported are located in the Central Zone of the San Jose Mine, they consist of underground diamond drillholes and were sampled as half core from 30cm to 1m sample length with at least a single 1m sample either side to cover the periphery of the mineralised intersection. The analytical method used by ALS was Zn-OG62h for Zinc and Pb-OG62h for Lead, as well as Zn-AA07 for non-sulphide ('oxide') zinc. These are considered appropriate for the deposit type. Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> The new drillholes detailed in this press release are underground diamond drillholes (core) completed using a Hagby Onram 100 rig at a core diameter 40.7mm (BQTK). These new holes have not employed oriented core methods. Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Core recovery for these drillholes have been typically high >90% as observed by drillers and geologists, this data has not been formally recorded for all drillholes at this time, this forms part of the detailed logging which is still in progress by the on-site team. The lowest recovery recorded for an entire drillhole to date is 74.7% mean recovery; however, this is anomalous compared to the other holes with logged recovery thus far. No other methods have been used to maximise sample recovery; however, with recovery >90% reported for almost all holes detailed in this release the methods currently employed appear sufficient. It is not possible to assess the relationship between sample recovery and grade. Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Detailed geological and geotechnical logging is yet to be carried out for all drillholes; this work is still in progress as drilling is ongoing. Currently there is insufficient data to support a Mineral Resource estimate, mining study or metallurgical study at this stage. Total percentage of holes that have been logged for lithology, veins, alteration, mineralisation etc...is 43% and the total percentage of new drillholes that has detailed and recovery and Geotech logging is 30% at this stage (based on 29 logs). All drillholes are photographed before and after cutting core. Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> New drillholes have been sampled using reasonable industry procedures for logging (of mineralisation), sampling and QAQC for this project. Samples were selected by geologists for these new drillholes based on logging of mineralised intervals, core was cut using a rotary diamond saw along the long axis in halves. Samples were preferred at 1m lengths, although they were permitted flexibility from 30cm to 1.2m sample lengths typically where geological boundaries exist. In the Variscan SOP for sampling drillholes it was stated that a minimum of three samples were taken for any mineralised intersection, the first sample will encompass the mineralised zone and the other two samples will be selected either side to ensure waste intervals were sampled to define the boundaries of mineralisation. Additionally, when a separate geological zone or rubble or broken core begins a new sample will be taken and when solid core resumes the next samples will be selected. In zones of poor recovery <50% the default sample interval will be the drillers depth markers. The nature and quality of sampling techniques are considered appropriate for this deposit and drilling type. All half core samples are sent directly to ALS Seville laboratory for preparation and subsequent analysis according to industry standards crushing, pulverizing and splitting prior to sample analysis. Sample sizes taken for the drilling reported are considered suitable for the deposit type and style of mineralisation at this stage of exploration.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> For the new drilling reported the sampling is considered partial as half core remains. The laboratory is accredited (ALS Seville) and the techniques for Zn/Pb (Zn-OG62h and Pb-OG62h) are considered suitable for the elements in question. No handheld or downhole geophysics data were collected during this campaign. QAQC Procedures adopted for this drilling include nine QAQC samples inserted into the sample stream every batch of 40-50 samples. These included one high or medium grade CRM (OREAS 134B or OREAS 133A) inserted into the mineralised zone, one low grade CRM (OREAS 130) inserted in between waste rock or barren samples, one coarse blank (limestone from Qijas quarry) and one pulp blank (lab blank). Also, internal duplicates were requested to ALS for one mineralised zone sample and one from either weakly mineralised or barren rock and these sample ID's were indicated to the laboratory. In total, of the 97 new samples reported within this press release the QAQC samples comprise 9.2% of the sample population. This frequency and

Criteria	JORC Code explanation	Commentary
		variety of QAQC samples inserted into the sample stream is considered reasonable; however, industry best practice typically requires 20% of the sample population to be QAQC samples in the sample stream. All of the QAQC sample results have not yet been interpreted, however, the samples reviewed show good repeatability thus far. Additional interpretation will be carried out once more data is available from the laboratory.
Verification of sampling and assaying	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Analytical processes were supervised by senior ALS staff experienced in mineral assaying. • The new diamond drillholes are located in the main mineralised corridors of the San Jose underground mine, some of which are nearby existing historical drillholes, however, they cannot be considered twinned holes at this stage. Twinned holes have been planned during the ongoing drilling campaign, however, these have yet to be drilled. • Primary data for the Q4 2020 to Q1 2021 drilling is currently stored in excel and all assay certifications and final assay provided by ALS Seville have been reviewed. • Assay data for Q4 2020 to Q1 2021 drillholes are reported in two ways within this press release, the first are raw assay values unchanged or altered and the second are calculated significant intercepts or aggregated consecutive sample intervals using sample length weighted mean grades for Zn and Pb.
Location of data points	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Almost all drillhole collars thus far in this campaign (51 out of a total of 68 reported) have been surveyed by Nortop Ingenieros S.L.U. using a Robotic Total Station, based on a known reference point outside the mine mouth and traversing into the mine via the 1.5km main drive and marking line of sight points bolted into the mine walls at regular intervals and reported in the CRS ETRS89 30N. These co-ordinates are considered accurate. • The remaining drillholes (17 out of a total of 68) have been surveyed using the Nortop Ingenieros S.L.U Total Station determined points and using 'all-in-one' laser disto device (incorporating digital compass, clinometer and distance meter) placed on a 4kg tripod to avoid movements and a topographic rod (with bubble level) to mark the position of the Nortop points. Checks have been made with a Brunton compass to verify that there are no measurements errors. Several checks were made with Nortop points (Bases) obtaining the same results. This was done to supplement the work undertaken by Nortop Ingenieros S.L.U who were unable to survey all collars in the timeframe. However, these are still considered relatively accurate. • Surface topography was provided by CNIG (IGN) as topographic contours at 25k scale, the contours were used to generate a digital terrain model in 3D after transformation to the local mine grid to conform to the majority of drillhole data in Leapfrog Geo and Datamine StudioRM. It is considered satisfactory for these purposes.
Data spacing and distribution	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Recent drillholes (Q4 2020 to Q1 2021) have been drilled in a fan pattern from drilling pads underground. These holes have been drilled in almost all orientations (see table in Appendix 1) and their spacing varies significantly. This drillhole campaign is yet to be completed; therefore, at this stage there is insufficient distribution of drillholes to support geological and grade continuity for the main San Jose mine area. • Assay data for the new drillholes are reported in two ways within this press release, the first are raw assay values unchanged or altered and the second are calculated significant intercepts or aggregated consecutive sample intervals using sample length weighted mean grades for Zn and Pb.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Mineralisation at the project occurs as stratiform, sub-horizontal and lenticular, following sub-vertical trends, and with lateral and vertical extensions with a significant control by the development of karsts. Mineralisation in this setting presents as ‘bags’ (pods) with sub-horizontal lenticular form. Due to the irregular and or variable nature of the mineralisation, an estimate of potential bias through orientation of sampling has not been made. While the location of mineralisation centres on the Novales trend follows a broad NNE strike, the orientation of distinct orebodies on this trend is understood to be irregular and highly variable both in terms of strike and dip. UG drilling is often radial in nature, and no comment can be made on the orientation of drilling in respect of mineralisation orientation. Surface drilling is often vertical and/or dipping steeply. New drillholes have been oriented at a variety of orientations both drilling above and below (positive and negative dips) from the main gallery level at present, similar to those drilled historically to intersect mineralised lenses and corridors above and below the main gallery level. These orientations are considered appropriate for the geometry of this mostly lenticular MVT mineralisation at San Jose. The results of all of these holes are not available currently (assays pending); thus, it is not possible to comment on the relationship between drilling orientation and the orientation of key mineralised structures or sampling bias. In some cases where new holes have been oriented vertically both above and below the main gallery, the sample interval lengths within the sub-horizontal lenticular morphology of the mineralisation is considered to be representative of true thickness and is not considered to include a sampling bias.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples are securely stored at the locked on-site core shed and were handed directly to a courier for transport to ALS Seville. Samples were logged and collected on site under supervision of the responsible Variscan geologist.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No detailed 3rd party audits have taken place regarding the sampling techniques for new drillholes.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The exploration permit “Buenahora” is held by Variscan Mines. The author is not aware, at the time of writing this, of any environmental issues that could affect ongoing works within these licences. The exploitation permit for the Novales-Udias historic mine area is owned by Variscan Mines. The author is not aware, at the time of writing this, of any issues with tenure or permission to operate in this region.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The historical data referenced in this report refer to exploration undertaken by historic mining companies operating the Project from the 1950’s to the mid 1980’s. The previous workers include Hispanibal and Asturiana de Zinc (previously a subsidiary of Xstrata / Glencore). The historic data referenced in this report and undertaken by the historic workers is held at the School of Mines and Energy

Criteria	JORC Code explanation	Commentary
		Engineering at Torrelavega, a faculty of the University of Cantabria.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The mineralisation at the project is considered a Mississippi Valley Type Lead-Zinc type deposit with associated structural and stratigraphic controlled carbonate dissolution and replacement Lead-Zinc type mineralisation. • Mineralisation at the project occurs as stratiform, sub-horizontal and lenticular, following sub-vertical trends, and with lateral and vertical extensions, with a significant control by the development of karsts. Mineralisation in this setting presents as 'bags' (pods) with sub-horizontal lenticular form.
Drill hole Information	<ul style="list-style-type: none"> • <i>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:</i> <ul style="list-style-type: none"> ○ 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. • <i>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.</i> 	<ul style="list-style-type: none"> • In total, of the 72 underground drillholes completed to date, 68 of which are shown in this press release (see Appendix 1). This press release presents new assay data for 15 drillholes, see table in Appendix 2 for raw assay data from the laboratory. • All 68 collar co-ordinates, hole depths and orientations for the holes reported in this announcement have been provided in the table in Appendix 1. • In total including the 9th March 2021 drilling results ASX release, there are 26 drillholes with assay results presented thus far by Variscan from this campaign (11 from 9th March and a further 15 from this release), 46 drillholes are pending assay results. • No information has been excluded.
Data aggregation methods	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated</i></p> <ul style="list-style-type: none"> • <i>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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • Aggregated intersections stated in the main body of this announcement (first bullet points) has only been undertaken for consecutive intervals with reported assay data, these aggregated intersections have been calculated as a weighted average based on the sample lengths. All raw assay data on which these were based is shown in Appendix 2. • No metal equivalent grades have been stated. • New drillhole assays have been reported both as raw assays from ALS Sevilla and also as aggregated consecutive intersections using length weighted averaging method. • Details of drillhole assay results from the mine portal can be found in a prior ASX release by Variscan Mines on 9th March 2021 available on the website www.variscanmines.com.au • Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	<ul style="list-style-type: none"> • Historical drillholes have been typically inclined upwards from the main drive (positive dip) in a fan pattern from single and multiple bays to intersect sub horizontal mineralised lenses present at the San Jose mine. These angles vary significantly, and it is expected that mineralisation is encountered at oblique angles and therefore cannot represent true thickness unless drilled vertically upwards/downwards into a lens directly above or below the main drive level. • Recent drillholes have been drilled both vertically upwards (+90° dip) and vertically downwards (-90° dip) and inclined at varied dips and azimuths' in between to target mineralisation

Criteria	JORC Code explanation	Commentary
		above and below the main drive level. Where vertical holes have been drilled by Variscan, it is considered these most closely represent true thickness of the sub-horizontal lenticular mineralisation.
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The information in this news release refers to a significant discovery below the main gallery level, maps and figures have been included to illustrate the location of the results reported. Figure 1a provides an overview map of the San Jose mine area at a scale of 1:3,000 with stopes, drive and new drillholes shown with a background of the 25k IGME geology. The inset map here indicates the relative position of the frame within the Variscan Mines Ltd licence polygons. Figure 1b shows a very similar map to Figure 1a with the mineralised trends or corridors indicated in red, indicating drilling target zones. Figure 2 is a photograph of several core boxes from NOVDD027 with grades of each sample interval annotated. Figure 3 shows a cross-section from the North of the La Caseta Trend with interpreted mineralised lenses above and below the main gallery level with length weighted mean grades of significant intersections. Figure 4 shows a larger scale long section version of the La Caseta Trend indicating drillholes awaiting assay data and the target zones for mineralisation above and below the main gallery level. Figure 5 shows a cross section of the 167/177 and 168/177 area with interpreted mineralised lenses with new drillholes and length weighted mean grades.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au New drillhole raw assay results including both low and high-grade intersections have been included in the table within Appendix 1
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au No other exploration data referenced in this report is considered sufficiently meaningful or material to warrant further reference.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Variscan have exploration plans to advance the Novales-Udias Project. The exploration plan is likely to include: <ul style="list-style-type: none"> Structural mapping Drilling campaign from surface to test step out extensions Follow up underground drilling to test vertical extensions Diagrams illustrating the geological interpretations and possible extensions to mineralisation have been provided in Figure 1a, 1b, 2, 3, 4 and 5

Appendix 1: Table of Drillhole Collar Co-ordinates and Orientations of All Drillholes Thus Far Drilled by Variscan at the Novales-Udias Project

BHID	X	Y	Z	Depth (m)	Azimuth (°)	Dip (°)
NOVDD001	402711.46	4802466.02	47.11	13	268	78
NOVDD002	403488.07	4803678.55	38.77	21.5	270	20
NOVDD003	403475.39	4803661.79	38.67	12.65	72	15
NOVDD004	403475.30	4803661.72	39.39	23.7	75	45
NOVDD005	403475.38	4803662.03	38.92	9.6	65	23
NOVDD006	403471.36	4803658.97	38.96	5.35	125	31
NOVDD007	403485.89	4803673.41	39.35	30.2	200	83
NOVDD008	403509.66	4803694.58	39.11	13.05	210	60
NOVDD009	403532.89	4803710.05	39.02	11.1	220	80
NOVDD010	403470.75	4803659.07	39.48	10.6	138	56
NOVDD011	403470.86	4803659.32	39.52	7.95		90
NOVDD012	402897.93	4802482.96	47.74	32.8	60	45
NOVDD013	402819.28	4802541.31	46.50	7.2	256	40
NOVDD014	402819.58	4802542.03	46.71	9.9	270	60
NOVDD015	402820.06	4802540.65	44.80	32.3	262	-30
NOVDD016	402820.43	4802540.78	44.39	17.2	257	-70
NOVDD017	402819.16	4802541.60	44.91	30.9	191	-26
NOVDD018	402819.18	4802541.50	46.07	11.5	182	30
NOVDD019	402821.97	4802548.62	46.03	21.9	295	30
NOVDD020	402821.95	4802548.77	44.43	20.2	310	-30
NOVDD021	402992.17	4802484.30	49.17	39.4		90
NOVDD022	402992.86	4802484.39	49.19	30	105	70
NOVDD024	402737.29	4802520.45	44.68	26.4		-90
NOVDD025	402739.43	4802519.72	46.30	27.4	118	33
NOVDD026	402737.91	4802522.83	46.28	19	33	25
NOVDD027	402723.59	4802540.70	45.05	37.1	20	-32
NOVDD028	402718.40	4802542.30	45.09	42	185	-35
NOVDD028B	402723.00	4802538.17	44.94	4	190	-35
NOVDD029	402723.20	4802539.25	44.97	94.5	145	-90
NOVDD030	402707.96	4802457.80	44.91	25		-90
NOVDD031	402881.82	4802499.28	46.97	25	192	40
NOVDD032	402883.31	4802499.41	45.14	25.3	305	-90
NOVDD033	402900.10	4802433.67	47.89	22.2	297	45
NOVDD034	402890.50	4802467.68	47.32	24	330	42
NOVDD035	402894.56	4802474.31	47.08	13.3	340	25
NOVDD036	402722.58	4802498.62	44.72	25	260	-45
NOVDD037	402750.11	4802508.20	46.95	14	36	40
NOVDD038	402734.39	4802489.59	46.17	40	110	31
NOVDD039	402734.00	4802489.79	44.49	14.5	110	60
NOVDD040	402705.60	4802459.48	44.73	30	0	-47
NOVDD041	402704.49	4802458.26	44.72	28	312	-45
NOVDD042	402707.16	4802455.27	45.02	20	187	-30
NOVDD043	402710.08	4802281.38	46.95	26.4		-90
NOVDD044	402709.29	4802285.00	47.21	35.6	0	-30
NOVDD045	402710.11	4802276.95	47.03	28.1	190	-29
NOVDD046	402668.19	4802364.34	46.07	47.6	72	-17
NOVDD047	402709.83	4802159.29	48.21	33	270	-28
NOVDD048	402709.82	4802159.18	48.27	29	271	-15
NOVDD049	402716.34	4802218.78	47.43	30	310	-16
NOVDD050	402716.29	4802217.91	47.71	29	248	-30
NOVDD051	402716.33	4802218.50	47.67	30	284	-22
NOVDD052	402310.00	4802157.86	50.83	70	180	31
NOVDD053	402332.25	4802141.78	51.69	30		90

NOVDD054	402332.30	4802141.70	49.52	25	300	-87
NOVDD055	402330.09	4802133.91	51.38	41.7	265	33
NOVDD056	402329.88	4802126.43	51.40	36	255	27
NOVDD057	402329.77	4802127.12	52.27	39.8	272	50
NOVDD058	402318.93	4802162.71	51.60	35.2	175	77
NOVDD059	402316.03	4802164.00	51.01	44	0	45
NOVDD060	402314.87	4802160.29	49.28	35	180	-35
NOVDD061	402415.22	4802194.80	50.89	37.4		90
NOVDD062	402443.58	4802354.01	51.09	42		90
NOVDD063	402443.94	4802357.61	50.99	49	88	60
NOVDD064	402444.12	4802358.07	50.72	45.6	50	48
NOVDD065	402443.59	4802344.40	50.63	18.5	260	45
NOVDD066	402446.47	4802346.06	50.36	45.7	50	40
NOVDD067	402472.68	4802319.48	50.51	30.1		90
NOVDD068	402473.93	4802320.62	49.66	73.6	45	27

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

BHID	Sample No	From (m)	To (m)	Length (m)	Zn %	Zn % (ox)	Pb %	Zn+Pb %
NOVDD012	VAR000054	6.1	7	0.9	6.36	0.30	0.01	6.37
NOVDD012	VAR000055	12.1	13.15	1.05	0.28	0.03	<0.002	0.28
NOVDD013	VAR000056	0	0.8	0.8	29.10	1.40	3.71	32.81
NOVDD013	VAR000057	0.8	1.4	0.6	23.50	2.35	7.62	31.12
NOVDD013	VAR000058	1.4	1.95	0.55	2.68	0.34	0.08	2.76
NOVDD013	VAR000059	2.2	2.6	0.4	6.63	2.75	0.69	7.32
NOVDD013	VAR000060	2.85	3.3	0.45	16.55	5.04	0.77	17.32
NOVDD013	VAR000061	3.4	4.3	0.9	7.34	1.55	1.18	8.52
NOVDD013	VAR000062	4.3	5.3	1	5.41	0.35	0.17	5.58
NOVDD013	VAR000063	5.3	6.3	1	32.40	2.77	1.74	34.14
NOVDD014	VAR000064	0	1.05	1.05	36.90	0.59	4.68	41.58
NOVDD014	VAR000066	1.05	2.2	1.15	9.68	0.47	13.20	22.88
NOVDD014	VAR000067	2.2	3.2	1	3.46	0.23	0.07	3.53
NOVDD014	VAR000069	3.2	4.2	1	11.50	1.24	0.98	12.48
NOVDD014	VAR000070	7.8	9	1.2	0.91	0.18	0.04	0.95
NOVDD015	VAR000071	0	1	1	19.75	0.78	2.86	22.61
NOVDD015	VAR000073	1	2	1	14.10	0.31	5.60	19.70
NOVDD015	VAR000074	2	3	1	11.10	0.46	4.11	15.21
NOVDD015	VAR000075	3	4.05	1.05	11.45	1.33	1.10	12.55
NOVDD015	VAR000076	4.05	5	0.95	0.06	0.05	0.02	0.08
NOVDD015	VAR000077	8	8.8	0.8	0.18	0.07	0.02	0.20
NOVDD016	VAR000078	0	1	1	0.78	0.15	0.04	0.82
NOVDD020	VAR000079	0	1	1	3.72	0.78	0.48	4.20
NOVDD017	VAR000080	0	1	1	24.60	0.60	4.77	29.37
NOVDD017	VAR000082	1	2	1	21.60	0.80	11.20	32.80
NOVDD017	VAR000083	2	3	1	15.00	0.57	5.20	20.20
NOVDD017	VAR000085	3	4	1	6.04	1.18	0.42	6.46
NOVDD017	VAR000086	4	5	1	3.85	0.96	0.10	3.95
NOVDD018	VAR000087	0	1	1	27.00	1.04	1.84	28.84
NOVDD018	VAR000088	1	2	1	17.75	1.60	4.23	21.98
NOVDD018	VAR000090	2	3	1	17.75	0.41	0.43	18.18
NOVDD018	VAR000091	3	4	1	19.65	0.40	2.04	21.69
NOVDD018	VAR000092	4	5	1	0.15	0.10	0.02	0.17
NOVDD018	VAR000093	8	9	1	4.50	2.98	13.65	18.15
NOVDD019	VAR000094	0	0.9	0.9	4.12	0.30	1.24	5.36
NOVDD019	VAR000095	0.9	1.9	1	5.73	1.66	3.26	8.99
NOVDD019	VAR000096	1.9	2.75	0.85	3.62	0.58	0.51	4.13
NOVDD019	VAR000097	7.1	7.95	0.85	0.90	0.73	0.09	0.99
NOVDD019	VAR000098	8.3	8.95	0.65	9.98	1.38	1.11	11.09

NOVDD019	VAR000099	11.05	12.05	1	6.02	0.39	0.89	6.91
NOVDD019	VAR000100	12.05	13.05	1	7.37	0.47	2.98	10.35
NOVDD019	VAR000101	14.25	15.25	1	9.28	8.16	3.52	12.80
NOVDD019	VAR000102	15.25	16.25	1	7.99	6.69	4.28	12.27
NOVDD019	VAR000103	16.6	17.6	1	3.31	1.91	1.76	5.07
NOVDD019	VAR000104	17.6	18.7	1.1	1.40	0.15	0.15	1.55
NOVDD022	VAR000105	19.3	20.3	1	0.05	0.03	0.01	0.06
NOVDD024	VAR000106	4.3	4.9	0.6	10.95	0.28	0.02	10.97
NOVDD024	VAR000107	7.2	8	0.8	3.80	0.20	0.01	3.81
NOVDD024	VAR000108	11.3	12	0.7	3.03	0.17	0.01	3.04
NOVDD024	VAR000109	13.1	13.8	0.7				
NOVDD025	VAR000110	0.6	1.6	1	7.88	0.52	0.15	8.03
NOVDD025	VAR000111	1.6	2.6	1	23.30	0.35	0.34	23.64
NOVDD025	VAR000112	2.6	3.6	1	15.75	0.30	0.12	15.87
NOVDD025	VAR000113	3.6	4.6	1	0.89	0.16	0.01	0.90
NOVDD025	VAR000114	4.6	5.6	1	7.72	1.20	0.03	7.75
NOVDD025	VAR000115	5.6	6.6	1	0.20	0.07	0.01	0.22
NOVDD025	VAR000116	6.6	7.6	1	2.12	0.22	0.02	2.14
NOVDD025	VAR000117	10.3	11.3	1	19.75	0.38	0.18	19.93
NOVDD025	VAR000118	11.3	12.3	1	1.19	0.24	0.01	1.20
NOVDD026	VAR000119	9	10	1	1.40	0.10	0.00	1.40
NOVDD026	VAR000120	10	11	1	0.18	0.03	<0.002	0.18
NOVDD026	VAR000121	11	12	1	12.90	0.27	0.02	12.92
NOVDD026	VAR000122	12	13	1	7.08	0.22	1.50	8.58
NOVDD026	VAR000123	13	14	1	1.53	0.43	0.08	1.61
NOVDD027	VAR000124	0	1.15	1.15	21.30	0.53	3.19	24.49
NOVDD027	VAR000125	1.15	1.7	0.55	12.90	0.39	0.26	13.16
NOVDD027	VAR000126	1.7	2.7	1	13.50	1.07	0.04	13.54
NOVDD027	VAR000127	2.7	3.7	1	20.00	0.42	0.11	20.11
NOVDD027	VAR000128	3.7	4.7	1	19.60	0.54	0.45	20.05
NOVDD027	VAR000129	4.7	5.7	1	0.13	0.08	0.00	0.13
NOVDD027	VAR000130	5.7	6.7	1	0.05	0.03	0.01	0.06
NOVDD027	VAR000131	6.7	7.7	1	20.00	0.35	0.03	20.03
NOVDD027	VAR000132	7.7	8.7	1	26.80	0.48	1.03	27.83
NOVDD027	VAR000133	8.7	9.7	1	12.95	0.64	0.07	13.02
NOVDD027	VAR000134	9.7	10.7	1	26.60	0.50	1.53	28.13
NOVDD027	VAR000135	10.7	11.7	1	1.64	0.17	0.01	1.65
NOVDD027	VAR000136	11.7	12.7	1	6.63	0.22	2.00	8.63
NOVDD027	VAR000137	12.7	13.7	1	2.08	0.18	0.71	2.79
NOVDD027	VAR000138	13.7	14.7	1	13.35	0.40	14.55	27.90
NOVDD027	VAR000139	14.7	15.85	1.15	12.10	0.30	8.68	20.78
NOVDD027	VAR000140	15.85	16.85	1	0.94	0.09	0.07	1.01
NOVDD028	VAR000141	0	1.5	1.5	1.83	0.40	0.17	2.00
NOVDD028	VAR000142	1.5	2.5	1	4.39	0.53	0.34	4.73
NOVDD028	VAR000143	2.5	3.5	1	4.80	0.25	0.42	5.22
NOVDD028	VAR000144	3.5	4.5	1	2.23	0.18	0.17	2.40
NOVDD028	VAR000145	4.5	5.5	1	1.43	0.67	0.15	1.58
NOVDD028	VAR000146	5.5	6.5	1	0.08	0.04	0.01	0.08
NOVDD028	VAR000147	6.5	7.5	1	0.05	0.03	0.01	0.06
NOVDD028	VAR000148	7.5	8.5	1	0.30	0.14	0.02	0.32
NOVDD028	VAR000149	8.5	9.5	1	0.03	0.02	<0.002	0.03
NOVDD028	VAR000150	9.5	10.5	1	5.25	0.21	0.35	5.60
NOVDD028	VAR000151	10.5	11.5	1	3.74	0.29	0.21	3.95
NOVDD028	VAR000152	11.5	12.5	1	4.12	0.21	0.30	4.42
NOVDD028	VAR000153	12.5	13.5	1	1.86	0.12	0.15	2.00
NOVDD028	VAR000154	13.5	14.5	1	1.13	0.08	0.06	1.19
NOVDD028	VAR000155	14.5	15.55	1.05	16.60	0.35	2.30	18.90
NOVDD028	VAR000157	15.55	16.55	1	0.12	0.05	0.01	0.13