HIGH GRADE ZINC CONFIRMED AT NOVALES-UDIAS PROJECT

Key highlights:

- **Underground and surface grab sampling programme confirms high grade zinc occurrences at the Novales-Udias Project in Cantabria, northern Spain**
- **Assay results of new targeted samples taken from within the underground Novales Mine recorded:**
  - **31.83% Zn and 62.3% Pb**
- **Assay results of new samples taken over the licence area recorded:**
  - **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 near Mina de Duña**
- **New work validates historic geochemistry exploration, which recorded grades up to 17% Zn (Brinia) near former workings**
- **Grab sampling highlights new zones of mineralisation not previously sampled**
- **Prioritising target definition and drill-hole positioning for future drilling**
- **Maiden drilling in early 2020 on track**

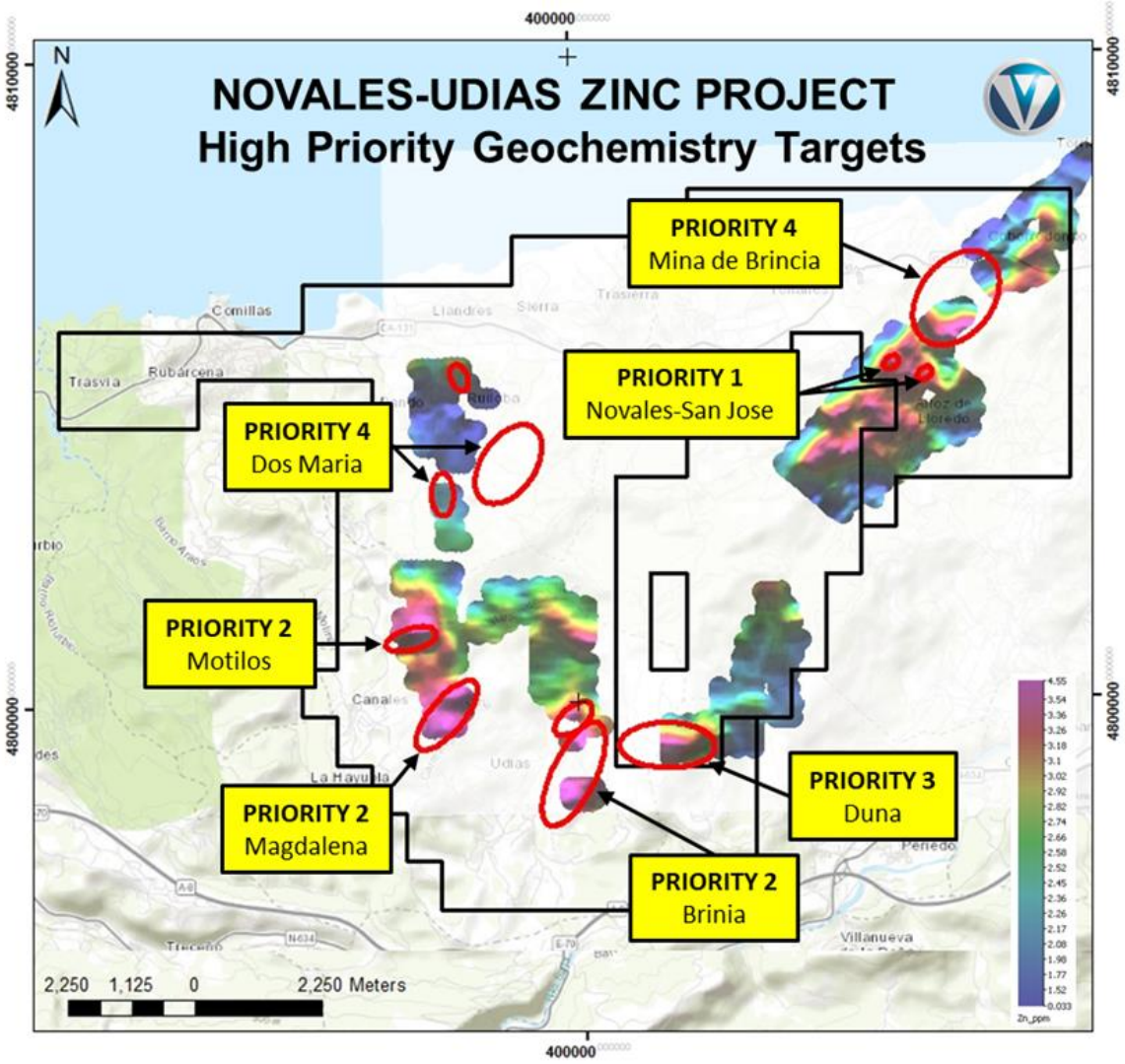
Variscan Mines Limited ("**Variscan**" or the "**Company**") (ASX:VAR) is pleased to announce the results of selective grab sampling program conducted at Novales-Udias Project in Cantabria, northern Spain.

Variscan's CEO, Stewart Dickson said, *"These excellent results provide another point of validation for the high-grade zinc potential of the Novales-Udias Project. The project presents a two-fold opportunity; the potential for early production at the former producing Novales Mine and scope to develop a significant mineral resource over the surrounding tenement area which hosts multiple historic workings. These areas have produced very exciting high-grade results which progress our understanding and sustain our momentum towards drilling these very prospective areas".*

Work Programme

Variscan identified and prioritised target areas for the fieldwork based on historical data, in particular regional soil geochemistry, (refer ASX Announcement 6 November 2019) to generate the following high priority target areas (refer Figure 1).

Figure 1. Historic Soil geochemistry contours for the Novales-Udias Project & Target areas for recent field work

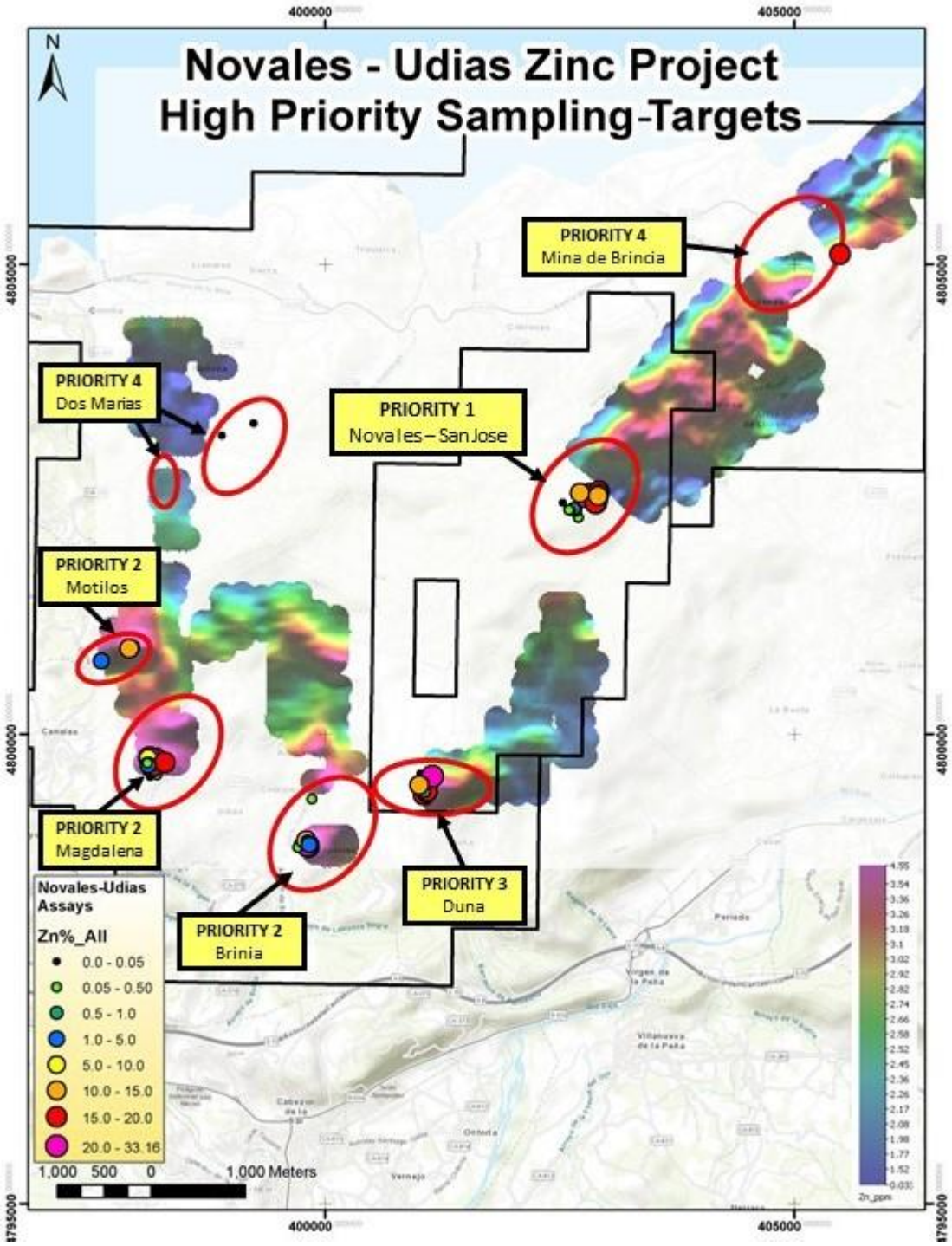


Of the 66 grab samples collected during the fieldwork:

- 42 samples recorded assays +0.5% Zn
- 37 samples recorded assays +1% Zn
- 31 samples recorded assays +5% Zn
- 29 samples recorded assays +10% Zn
- 20 samples recorded assays +15% Zn
- 4 samples recorded assays +30% Zn

There were a significant number of high-grade zinc-lead assay results returned from the sampling completed in the Novales – San Jose mine workings. The best assay results were obtained from the north eastern section of the mine workings, which was a focus of the historic mining operations. High zinc values from the regional target areas are just as encouraging; the mapping and grab sampling confirmed the regional prospectivity of the project (refer Figure 2).

Figure 2. Soil geochemistry results for the Novales-Udias Project



The below table (refer Figure 3) provides selected assay highlights for the recently completed mapping and rock chip sampling program. A full table is set out in Appendix 1.

Figure 3. Selected assay results for the Novales-Udias Project

Sample ID	Easting	Northing	Purpose	ME-ICP61 Pb_ppm	ME-ICP61 Zn_ppm	OG62 Pb_%	OG62 Zn_%	AAORE Pb_%	AAORE Zn_%
CBRC0003	402772	4802531	Underground Sampling	>10000	8000	1.58			
CBRC0001	402772	4802529	Underground Sampling	1640	>10000		1.75		
CBRC0002	402772	4802530	Underground Sampling	>10000	>10000	1.85	3.4		
CBRC0004	402772	4802532	Underground Sampling	>10000	>10000	2.79	7.17		
CBRC0005	402772	4802529	Underground Sampling	>10000	>10000	11.15	**26.8**		
CBRC0006	402825	4802522	Underground Sampling	1490	>10000		1.85		
CBRC0007	402833	4802554	Underground Sampling	>10000	>10000	>20.0	**29**	**32.8**	
CBRC0008	402889	4802495	Underground Sampling	>10000	>10000	12.05	**25.3**		
CBRC0009	402892	4802494	Underground Sampling	>10000	>10000	2.8	>30.0		**31.83**
CBRC0010	402884	4802459	Underground Sampling	2900	>10000		**20.3**		
CBRC0011	402881	4802458	Underground Sampling	1220	>10000		19.05		
CBRC0012	399819	4798802	Field Targets	>10000	>10000	8.99	**21.7**		
CBRC0013	399836	4798794	Field Targets	378	>10000		14.4		
CBRC0014	399821	4798810	Field Targets	>10000	>10000	12.25	>30.0		**33.16**
CBRC0015	399810	4798812	Field Targets	>10000	>10000	4.71	28.8		
CBRC0016	402919	4802584	Underground Sampling	344	>10000		15.6		
CBRC0019	402926	4802554	Underground Sampling	>10000	>10000	>20.0	12.35	**62.3**	
CBRC0020	402911	4802534	Underground Sampling	9050	>10000		14.05		
CBRC0021	397616	4800775	Field Targets	807	>10000		3.39		
CBRC0026	397913	4800908	Field Targets	3160	>10000		10.65		
CBRC0027	402715	4802566	Underground Sampling	>10000	>10000	1.17	14.8		
CBRC0037	398160	4799655	Field Targets	>10000	>10000	3.12	>30.0		**31.66**
CBRC0038	398179	4799666	Field Targets	>10000	>10000	3.03	19.25		
CBRC0039	398195	4799735	Field Targets	>10000	>10000	2.89	>30.0		**32.85**
CBRC0040	398191	4799734	Field Targets	>10000	>10000	1.25	**29.7**		
CBRC0041	398133	4799746	Field Targets	>10000	>10000	7.69	**22.5**		
CBRC0042	398115	4799747	Field Targets	9740	>10000		9.45		
CBRC0043	398291	4799695	Field Targets	>10000	>10000	7.63	19.05		
CBRC0045	401054	4799351	Field Targets	516	>10000		18.4		
CBRC0047	401082	4799369	Field Targets	>10000	>10000	3.2	11.85		
CBRC0048	401089	4799391	Field Targets	>10000	>10000	3.85	17.95		
CBRC0051	401144	4799558	Field Targets	>10000	>10000	3.6	14.15		
CBRC0052	401145	4799547	Field Targets	>10000	>10000	2.25	**21.3**		
CBRC0054	401006	4799457	Field Targets	624	>10000		10.35		
CBRC0058	398115	4799670	Field Targets	37	>10000		3.25		
CBRC0060	405487	4805108	Field Targets	426	>10000		19.35		
CBRC0064	399798	4798867	Field Targets	107	>10000		13.6		
CBRC0066	399832	4798819	Field Targets	58	>10000		3.03		

Priority 1 Target

Novales Mine (San Jose)

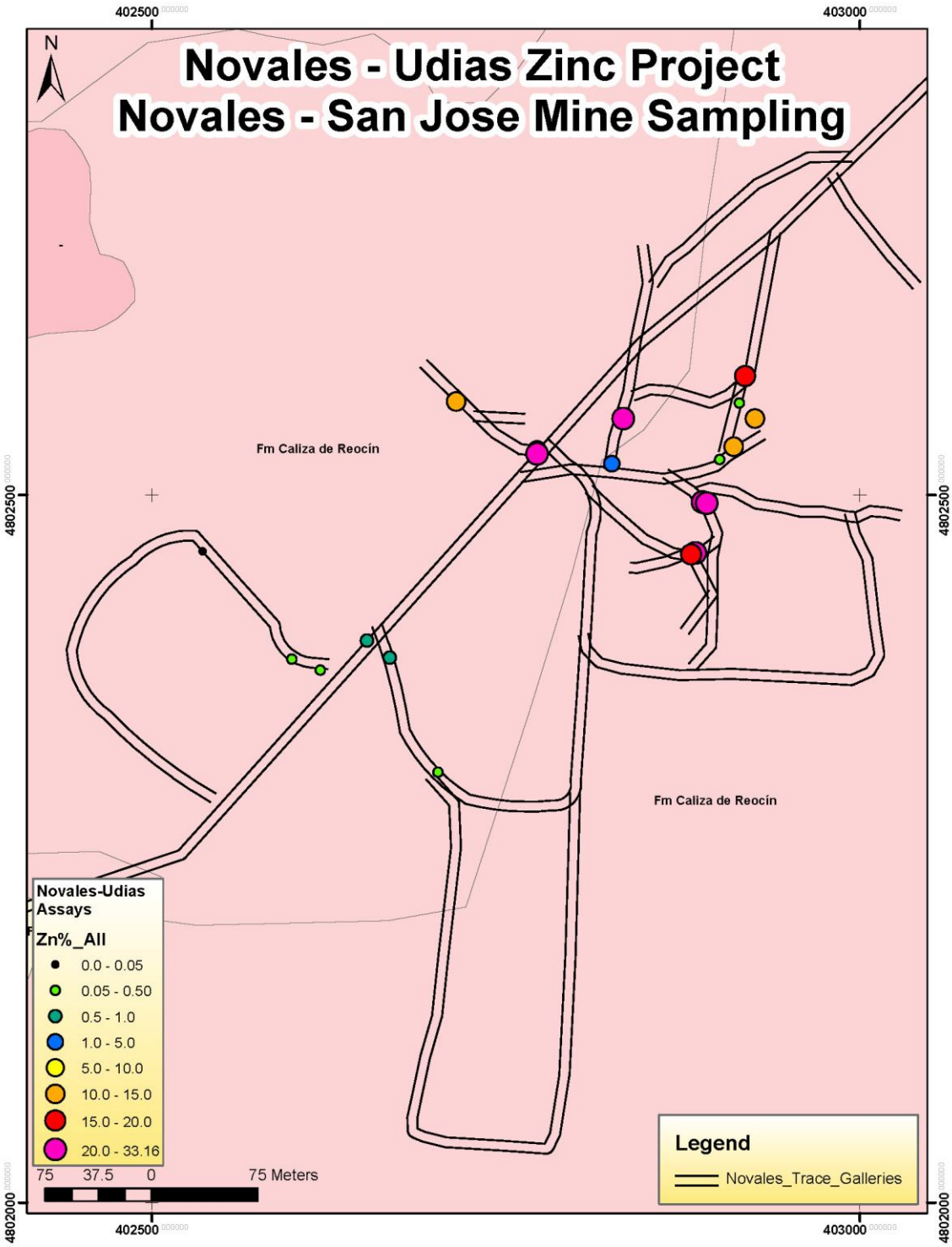
The sampling conducted is a successful first step in a multi-phased work program designed to reassess the historic mine reserves, expand on the overall resource base and potentially bring the mine back into production as rapidly as possible.

The San Jose mine is the entrance to the Novales line of deposits and is oriented along an anticline. The underground developments from San Jose extend SW to include Aumento, Porvenir, Andrea, El Eucaliptal, Cordorros, extending into the Udias area, connecting through to Pozo Madroño, Hermosa-Enriqueta and Los Llagos and Mina de Duña. The underground galleries are mostly accessible and in stable condition. The mineralisation-hosting dolomite unit is reported as being 250m-350m thick, varying in other areas. Mineralisation is found as karst-filled "ore bags", but predominantly mineralisation is stratabound, horizontal, lenticular, bleeding laterally and vertically from vertical faults (Source: IGME, 2011). After assessing the historic mine plans from the most recent mine operator, sampling was focused on the areas highlighted as being of high-grade potential and unmined. It is assessed that there may be six unmined areas with high grade mineralisation identified from historic mine maps.

A total of 23 grab samples were collected underground from the Novales-San Jose Mine, most of the samples returned highly anomalous zinc and/or lead results. The best of the results were obtained from sample CBRC0009 (31.83% Zn & 2.8% Pb) and CBRC0019 (12.35% Zn & 62.3% Pb). The sampling program confirmed the existence of unmined high-grade mineralisation throughout the north eastern area of the mine. Further exploration is required to improve the confidence and understanding of the in-situ mineralisation. Once completed it is anticipated that this will provide the basis for a JORC (2012) Compliant Mineral Resource Estimate for ongoing economic and mining studies.

Figure 4. Example of an underground sample location and typical type of mineral textures seen

Figure 5. Locations of the underground rock chip samples.

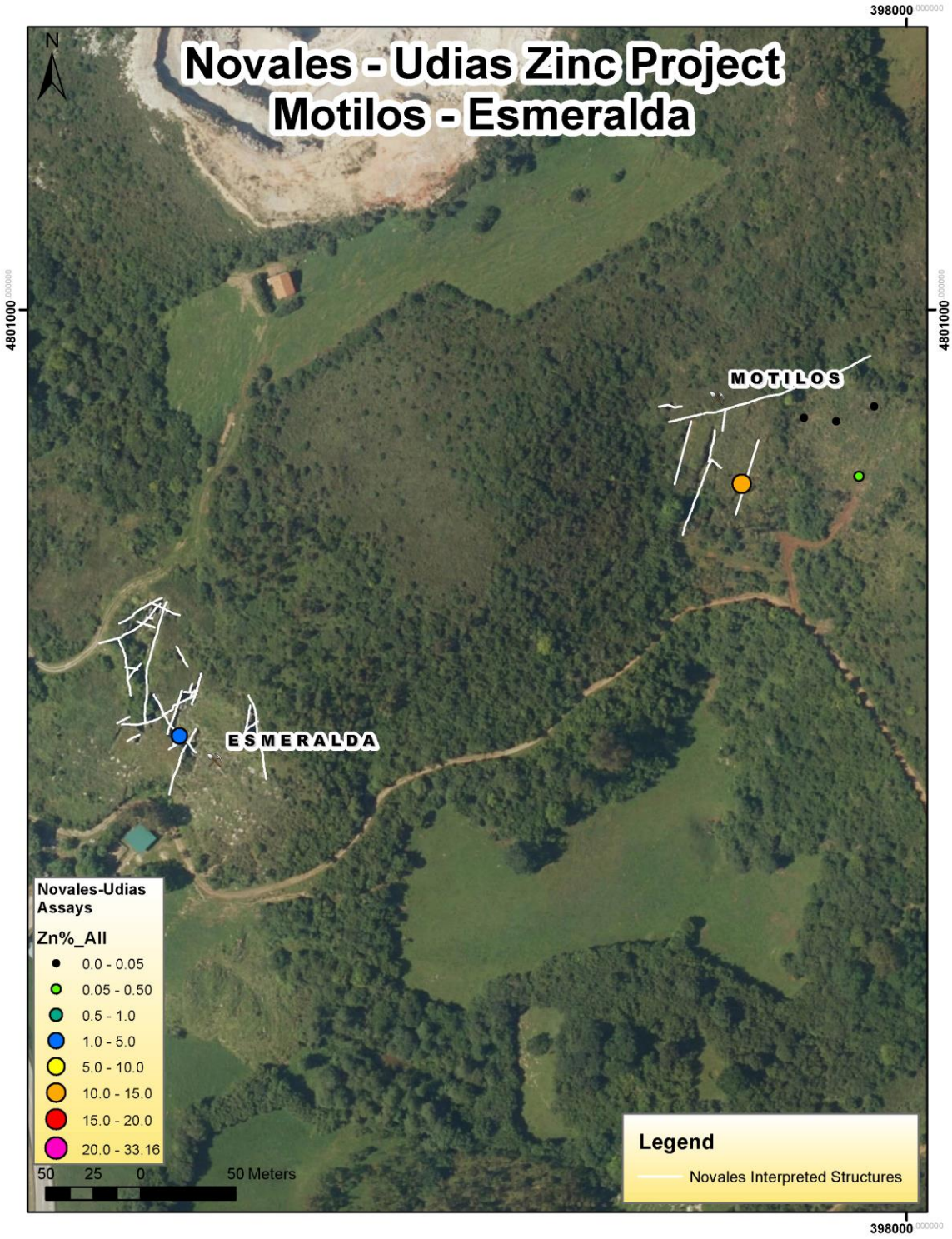


Priority 2 Targets: Motilos – Magdalena – Brinia

Motilos

The Motilios grab sampling was undertaken to validate and identify the source of the historic soil sampling that was completed in the area. The zinc anomaly radiates out from the location of the old mine workings. The sampling was focused on the outcropping dolomite to the east which was located close to the centre of the historic zinc anomaly. Five samples were taken in this area (CBRC0022 – CBRC0026); two of the five samples could be classified as anomalous. A closer spaced soil sampling program is required in this area to better understand the underlying geology and the zinc distribution within it.

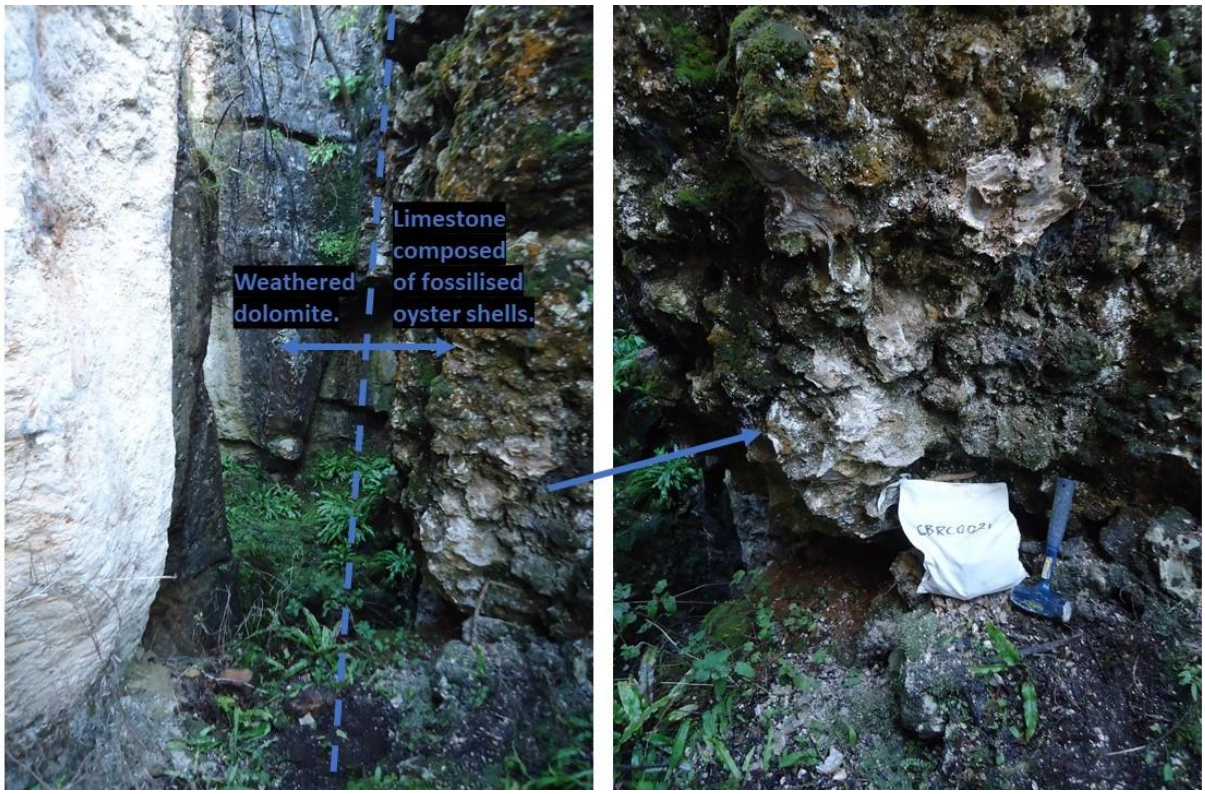
Figure 6. Rock chip sample locations at Motilos & Esmeralda.



Esmeralda

The main feature seen at Esmeralda is a 040/80°NE trending fault, 40-60m deep void. It is a fault contact between the dolomite and the overlying fossiliferous limestone, the latter downthrown relative to the dolomite. A sample from the fossiliferous limestone (CBRC0021) was taken from the southern end of the fault. This major fault appears to be mineralised as it returned as assay result of 3.39% Zn & 0.08% Pb (refer Figure 7) and may be a viable drill target in the future. Esmeralda represents an interesting exploration target that requires further detailed sampling and mapping prior to drilling.

Figure 7. Sample of the fossiliferous limestone (CBRC0021) taken to test fault at Esmeralda.

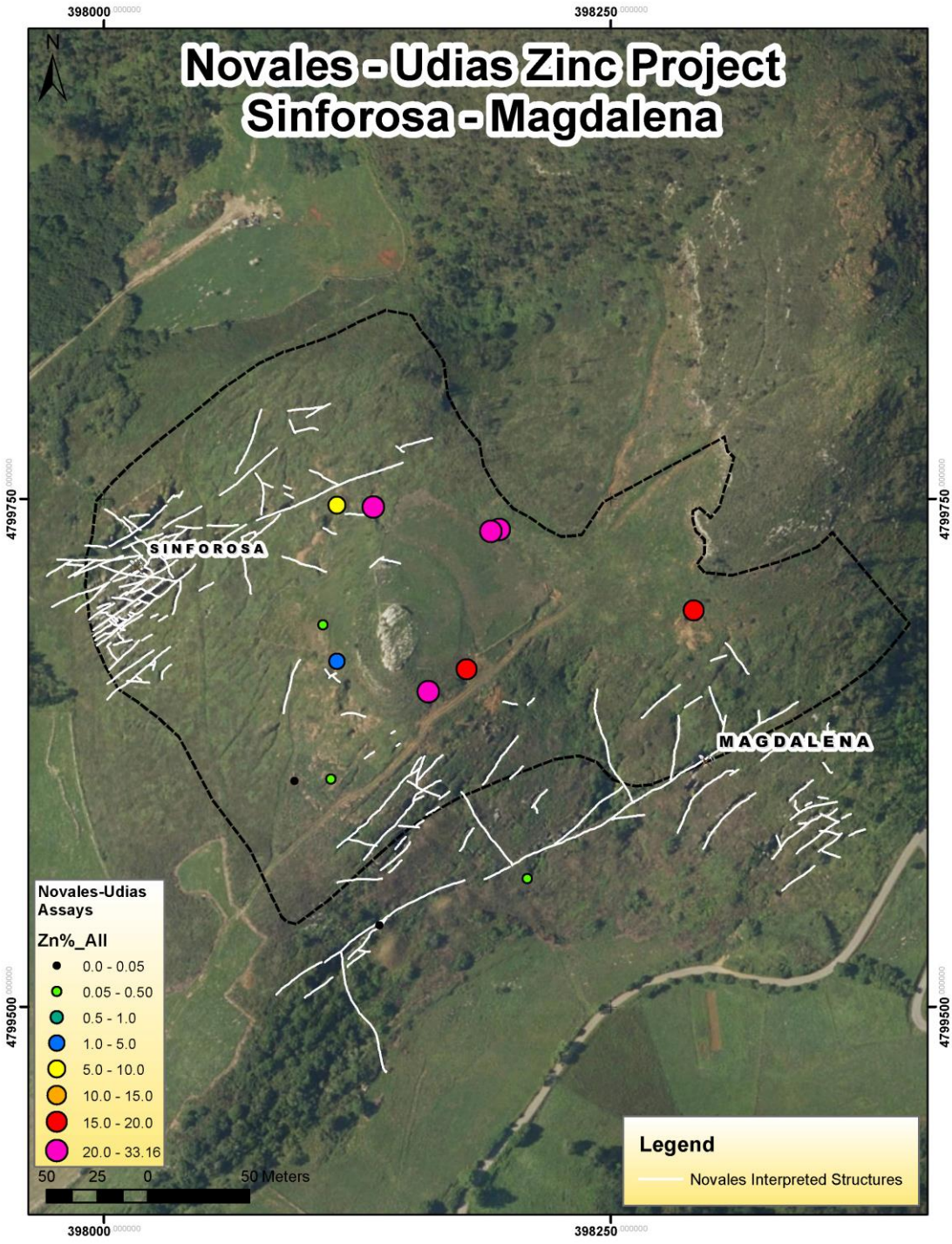


Magdelena & Sinforosa

Field investigations identified an area of roughly 300m x 200m of outcrop/sub cropping ferruginous dolomite that was in part highlighted by the historic Zinc geochemical survey. The Sinforosa workings are located on the north west side and the Magdalena working are located on the south east side of the target area.

Magdalena mine is less deeply fractured and distinguished by a continuous NE-SW fault and 150° faults that curve SSW near termination. The cuts are deep, variously ~30m to ~50m bedrock, steep, 10-30m wide and varying length. Some waste rock is evident at surface, but largely concealed by vegetation. Some cross-cutting faults can be observed which may mean that mineralisation is more lenticular in form.

Figure 8. Grab sample locations at Magdelena & Sinforosa.

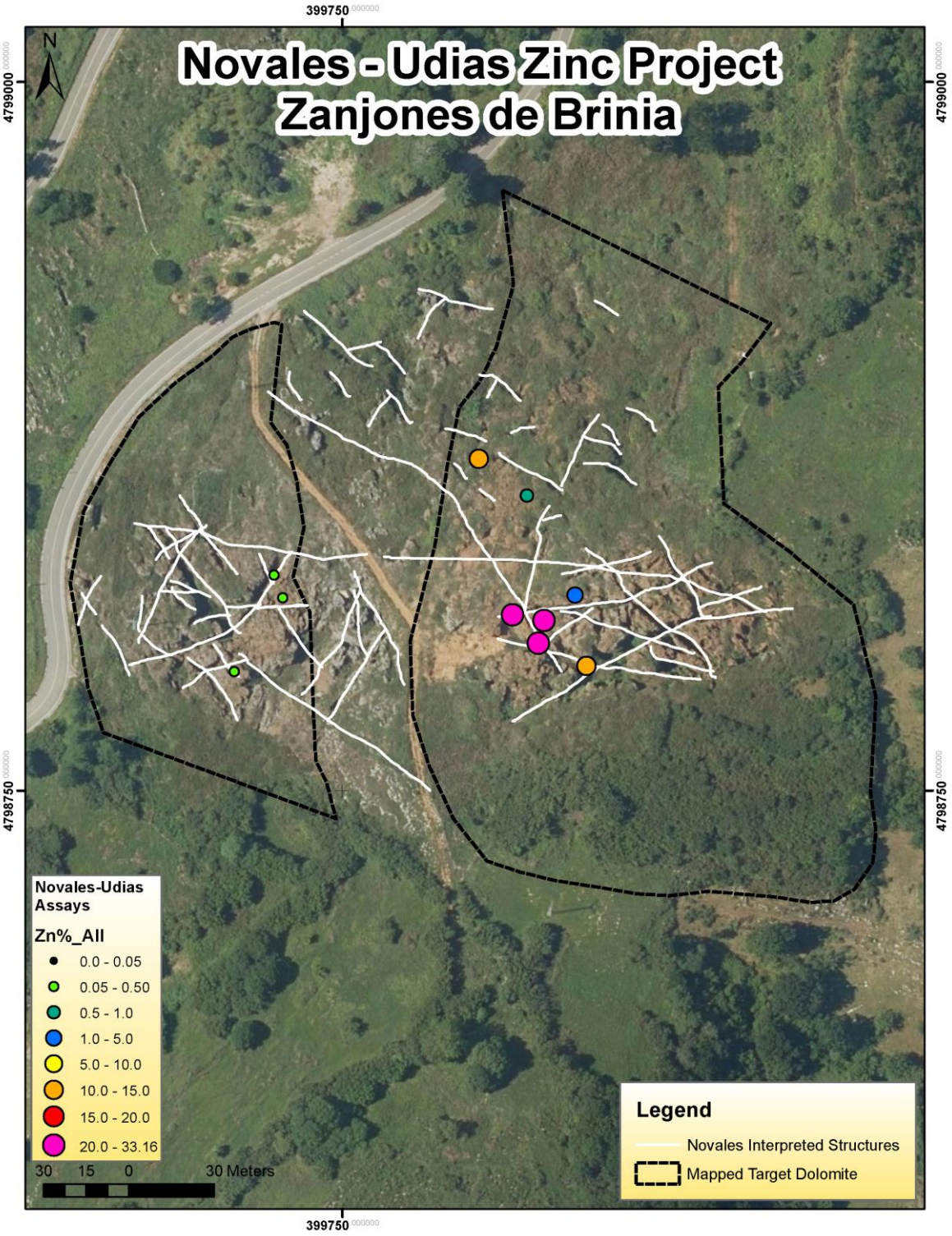


Zanjones de Brinia

The mapping and sampling were undertaken in a deep karstic terrain roughly 250 x 200 meters (refer Figure 9). Zanjones de Brinia is hosted within a small graben where the stratigraphy has displaced a short distance south. The prominent fault direction is 128°/85°SE. Fractures are primarily oriented along a 020°- 030° direction. Historically mineralisation is mostly high-grade, commencing about 20m depth from surface within dolomites that are only 20-50m thick. Zinc mined from the area was reported to have grades averaging 15%. The mapping and rock chip sampling program reconfirmed the high-grade nature of the project area which was strongly indicated by the previous soil sampling, drilling and artisanal mining operations.

A total of 10 grab samples were collected in the Zanjones de Brinia area, all the samples returning highly anomalous Zinc results. The best of the results being from sample CBRC0014 (33.6% Zn) and CBRC0015 (28.8% Zn).

Figure 9. Grab sample locations at Zanjones de Brinia.



Priority 3 Target

Mina de Duña

The mapping and sampling were undertaken in a very deep karstic terrain (refer Figure 10).

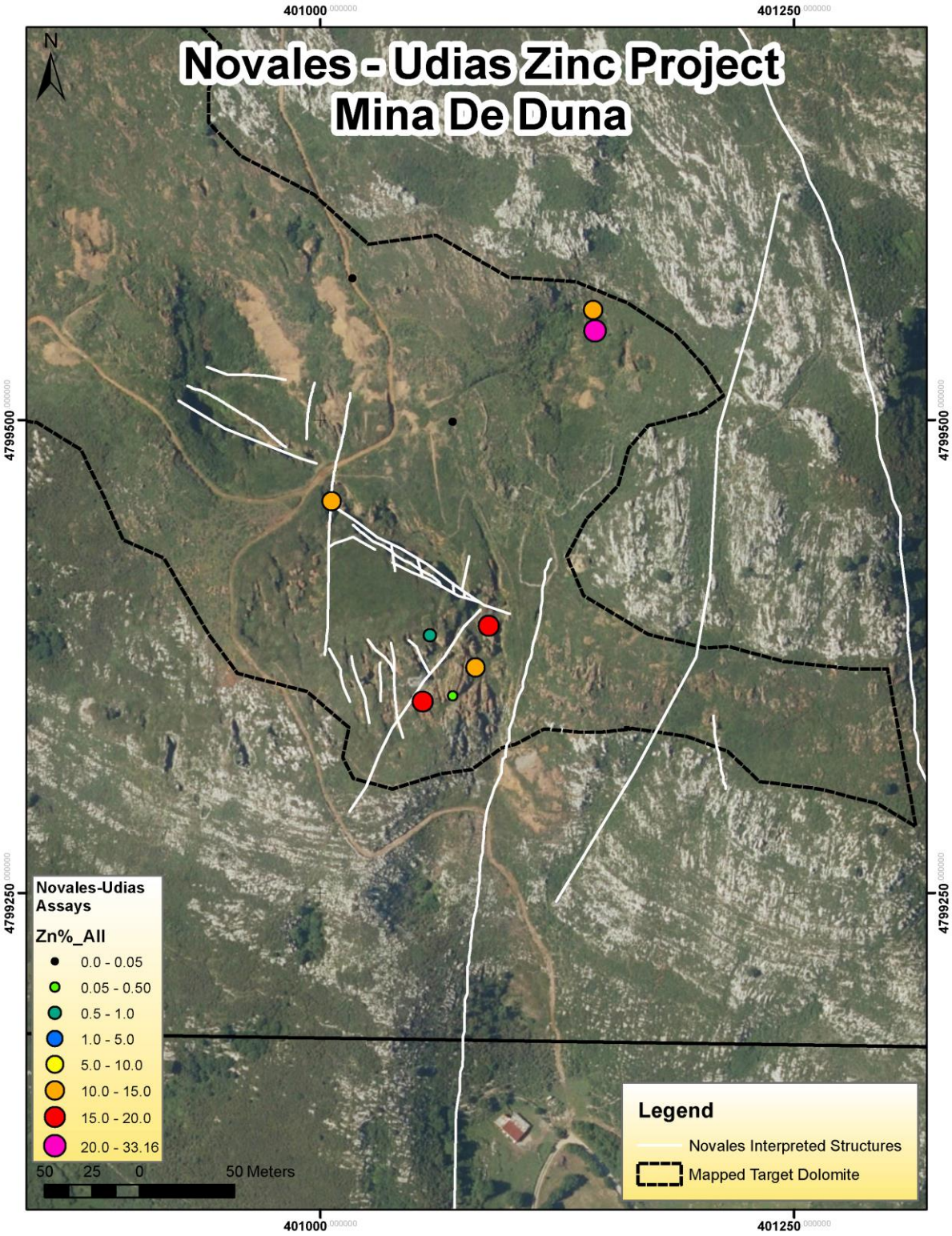
Figure 10. Old waste rock dumps and karst features are pervasive throughout the landscape.

The Mina de Duña / Minas de los Llagos project area represents what is likely to be the largest and most contiguous area of out cropping dolostone outside of the Novales Mine area. Field investigations identified an area of roughly 700m x 250m of outcrop/sub cropping ferruginous dolomite that was in part highlighted by the historic zinc geochemical survey program and the series of old working between Mina de Duña and Minas de los Llagos. The exploration target in this area could potentially be as large as 1500 x 300m.

Historic maps highlight that Minas de los Llagos links directly to Mina de Duña. This is a substantial, strike continuous zone.

The sampling focused on an area south-east of Minas de Duña. A total of 10 grab samples were collected. The majority of samples returned anomalous zinc results. The best of the results being from sample CBRC0045 (18.4% Zn) and CBRC0052 (21.3% Zn). Samples CBRC0045 - CBRC0048 were collected in such a fashion as to demonstrate the lateral continuity of the Zn-Pb mineralisation through the dolostone (Refer Figure 11).

Figure 11. Grab sample locations at Mina de Duña.



Priority 4 Targets

Dos Marias & Mina de Brincia (Fortuna)

Field work in the Dos Marias and Mina de Brincia (Fortuna) areas was very limited due to poor weather.

Next Steps

The digitisation of historic drilling data is ongoing and it is anticipated to be finalised early in the first quarter of 2020, which will finalise our data inputs for the definition of drilling targets for an upcoming initial drill program. We have a busy schedule taking shape to advance the high priority targets identified.

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 Novales underground mine with a large surrounding area of exploration opportunities which include zinc soil anomalies over 2km long and close to 1km wide and up to 17% Zn.

Significantly, the Novales-Udias Project includes a number of granted mining tenements (refer ASX announcement dated 29 July 2019).

Novales-Udias Project Highlights

- Near term zinc production opportunity (subject to positive exploratory work)
- Large tenement holding of 68.3 km^2 (including a number of granted mining tenements)
- Regional exploration potential for another discovery analogous to Reocin (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb[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]
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

ENDS

For further information:

Variscan Mines Limited	Stewart Dickson	T: +61 2 9906 5220 E: info@variscan.com.au
FUNDEXA	Bill Kemmery	T: +61 400 122 449

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.

E: Bill@fundexa.com

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 collusion 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.

JORC Table 1

Sections 1 and 2 in reference to Grab Sampling Campaign Novales/Udias and other targets within Buenahorra Exploration Permit Area:

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.*	• The recent samples taken by Variscan Mines in question were spot samples taken at selected locations of known intense mineralisation. • Sample points were selected randomly and taken by hammering or chipping material from an exposed rock face at surface or underground within a radius of 30-40cm from a central point. • No measures were taken to ensure sample representativity and samples were subject to strong human bias for the most mineralised zone for each sample point. • Determination of mineralisation was based on observational techniques to identify MVT style mineralisation within predominantly dolomite. i.e. sphalerite and galena with calcite.
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 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*	• To the knowledge of WAI no geological logging of each exact sample spots has been recorded • The areas from which samples were taken at surface have been described in detail and are available for reference for each sample site, except underground. • Logging is qualitative in nature when describing mineralisation; however, structural measurements have been recorded for faults and linear structures at most sample sites at surface.

Criteria	JORC Code explanation	Commentary
	relevant intersections logged.	• Lengths of logged areas are not quantifiable and are composed of general descriptions of the sampling site, which can vary from as low as a 1m sample site to 50m in width.
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.*	• These samples were not split in any way prior to sending to the laboratory. • No sample preparation techniques were employed by Variscan for this sampling campaign, only sample preparation steps were taken by the laboratory that the samples were sent to. • No duplicate samples of any kind were taken. • Sample sizes were taken between 1 to 2.5kg depending of the level of observed mineralisation within the sample area. • Mineralisation presents as coarse grained sphalerite and galena and therefore the sample size is representative of this granular mineral occurrence.
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 Sevilla, Spain is a well known and certified laboratory within the country and is qualified to conduct mineralogical and metalliferous analyses for mineralisation of this style. • Samples were prepared by the laboratory using appropriate techniques. Pulverisation to <75um @250g samples for analysis. • The analysis techniques used were four acid digestion with Atomic Absorption (AAORE) and four acid digestion ICP-AES (ME-ICP61) and ICP-AES (ME-OG62) for the delivery of 3 sets of results for Pb and Zn. • The laboratory provided a QAQC certificate of internal QC samples that have been recently tested which included duplicates, standards and blanks. No QAQC samples were inserted into the sample stream by Variscan Mines Ltd.
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.*	• WAI is not aware of any duplicate samples in the same location for verification of sampled grades in any sampling location by any other sampling technique.
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.*	• Samples taken at surface were located with a handheld GPS with a ±5m accuracy. • Samples taken underground were taken in relation to known reference points such as existing infrastructure.
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*	• Spacing of samples is sporadic and not standardised with a grid or specific measurements between samples in the same general area or stope. • The data spacing is not sufficient to establish geological continuity and as such is not appropriate for a Mineral

Criteria	JORC Code explanation	Commentary
	appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	Resource Estimate. • No compositing has been applied to these samples.
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.*	• Samples have been taken at random locations along known zones of mineralisation hosted within a sub-horizontal dolomite or limestone bed which often has pervasive low grade mineralisation and occasionally higher grade fault controlled exposures, these samples are not sufficiently spaced or graduated to cross cut all orientations of mineralised structures or known bolsas (locally termed high-grade "ore bags"). • Sampling is considered biased towards higher grade areas regardless of orientation.
Sample security	• *The measures taken to ensure sample security.*	• Samples are believed to be handled appropriately in large nylon fabric bags and sutured closed at the top.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• WAI is unaware of any audits of reviews of sampling techniques

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The exploration permit "Buenahora" is currently held by Slipstream Spain and subject to acquisition by Variscan Mines • WAI is not aware 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 Slipstream Spain and Variscan Mines as a Joint Venture. • WAI 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.*	• All historical exploration to date has been carried out by Hispanibal and Asturiana de Zinc (previous subsidiary of Xstrata / Glencore) and local miners pre-2007, all data quoted in this announcement pertains to historical data gathered by these companies.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mississippi Valley Type Lead-Zinc deposit, hosted in sub-horizontal limestones and dolomites.
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.*	• No drilling data has been quoted within this announcement, only historical underground channel samples, soil geochemistry, recent grab samples and anecdotal evidence from the miners of the Novales and Udias underground mines. • The historic drilling data (hard copies) for this project is still in the process of being fully compiled for ongoing geological use
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Data within this report primarily quote grab samples taken by Variscan Mines and no averaging, compositing, cut-offs or top cutting techniques have been employed at this stage. • The higher grades quoted for the "bolsas" within this announcement are anecdotal, however, during review of the historical drilling by WAI there have been occurrences of records of +30% Zinc grades over small intervals (~1m). • No metal equivalent values have been utilised in this report.
Relationship between mineralisation	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with*	• The grades quoted within this announcement pertain to underground spot samples and surface grab samples which may not necessarily represent the full width of

Criteria	JORC Code explanation	Commentary
widths and intercept lengths	*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').*	mineralisation at each location which is commonly Stratabound and dolomite hosted and can be very narrow (<10cm) to extremely wide for "bolsas" (>100m). • The historical drilling was predominantly vertical or dipping steeply -60° to -90° from surface
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.*	• Locations of soil samples have been displayed in plan view with appropriate scale with a legend for lead and zinc anomalies. • Tabulations of sampling data has been verified as direct copies of official lab results reported by ALS Sevilla.
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.*	• High grades have been quoted within this report for specific samples; however, the lower grades from the historical soil samples and historical ROM grades are perceived to be more representative of the typical mineralisation.
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.*	• Historical soil geochemistry, surface drilling, IP line geophysics and underground drilling data with positive results indicative of mineralisation are currently held at the School of Mine in Torrelavega, these data are currently being digitised for further geological use.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further exploratory works (drilling) are currently being planned based on the results within this press release, which will be outlined in a subsequent announcement.

Appendix 1

Sample ID	Site ID	Easting	Northing	Visit Purpose	ME-ICP61 Pb_ppm	ME-ICP61 Zn_ppm	OG62 Pb_%	OG62 Zn_%	AAORE Pb_%	AAORE Zn_%
CBRC0001	Novales-San Jose	402772	4802529	Underground Sampling	1640	>10000		1.75		
CBRC0002	**Novales-San Jose**	**402772**	**4802530**	**Underground Sampling**	**>10000**	**>10000**	**1.845**	**3.4**		
CBRC0003	**Novales-San Jose**	**402772**	**4802531**	**Underground Sampling**	**>10000**	**8000**	**1.58**			
CBRC0004	**Novales-San Jose**	**402772**	**4802532**	**Underground Sampling**	**>10000**	**>10000**	**2.79**	**7.17**		
CBRC0005	**Novales-San Jose**	**402772**	**4802529**	**Underground Sampling**	**>10000**	**>10000**	**11.15**	**26.8**		
CBRC0006	**Novales-San Jose**	**402825**	**4802522**	**Underground Sampling**	**1490**	**>10000**		**1.845**		
CBRC0007	**Novales-San Jose**	**402833**	**4802554**	**Underground Sampling**	**>10000**	**>10000**	**>20.0**	**29**	**32.8**	
CBRC0008	**Novales-San Jose**	**402889**	**4802495**	**Underground Sampling**	**>10000**	**>10000**	**12.05**	**25.3**		
CBRC0009	**Novales-San Jose**	**402892**	**4802494**	**Underground Sampling**	**>10000**	**>10000**	**2.8**	**>30.0**		**31.83**
CBRC0010	**Novales-San Jose**	**402884**	**4802459**	**Underground Sampling**	**2900**	**>10000**		**20.3**		
CBRC0011	**Novales-San Jose**	**402881**	**4802458**	**Underground Sampling**	**1220**	**>10000**		**19.05**		
CBRC0012	**Brinia**	**399819**	**4798802**	**Field Targets**	**>10000**	**>10000**	**8.99**	**21.7**		
CBRC0013	**Brinia**	**399836**	**4798794**	**Field Targets**	**378**	**>10000**		**14.4**		
CBRC0014	**Brinia**	**399821**	**4798810**	**Field Targets**	**>10000**	**>10000**	**12.25**	**>30.0**		**33.16**
CBRC0015	**Brinia**	**399810**	**4798812**	**Field Targets**	**>10000**	**>10000**	**4.71**	**28.8**		
CBRC0016	**Novales-San Jose**	**402919**	**4802584**	**Underground Sampling**	**344**	**>10000**		**15.6**		
CBRC0017	**Novales-San Jose**	**402915**	**4802565**	**Underground Sampling**	**39**	**906**				
CBRC0018	**Novales-San Jose**	**402901**	**4802525**	**Underground Sampling**	**61**	**2300**				
CBRC0019	**Novales-San Jose**	**402926**	**4802554**	**Underground Sampling**	**>10000**	**>10000**	**>20.0**	**12.35**	**62.3**	
CBRC0020	**Novales-San Jose**	**402911**	**4802534**	**Underground Sampling**	**9050**	**>10000**		**14.05**		
CBRC0021	**Esmeralda**	**397616**	**4800775**	**Field Targets**	**807**	**>10000**		**3.39**		
CBRC0022	**Motilos**	**397975**	**4800912**	**Field Targets**	**328**	**695**				
CBRC0023	**Motilos**	**397983**	**4800949**	**Field Targets**	**169**	**337**				
CBRC0024	**Motilos**	**397946**	**4800943**	**Field Targets**	**31**	**35**				
CBRC0025	**Motilos**	**397963**	**4800941**	**Field Targets**	**78**	**275**				
CBRC0026	**Motilos**	**397913**	**4800908**	**Field Targets**	**3160**	**>10000**		**10.65**		
CBRC0027	**Novales-San Jose**	**402715**	**4802566**	**Underground Sampling**	**>10000**	**>10000**	**1.17**	**14.8**		
CBRC0028	**Novales-San Jose**	**402702**	**4802304**	**Underground Sampling**	**98**	**747**				
CBRC0029	**Novales-San Jose**	**402668**	**4802385**	**Underground Sampling**	**146**	**5370**				
CBRC0030	**Novales-San Jose**	**402652**	**4802397**	**Underground Sampling**	**68**	**8840**				
CBRC0031	**Novales-San Jose**	**402619**	**4802376**	**Underground Sampling**	**51**	**1700**				
CBRC0032	**Novales-San Jose**	**402599**	**4802384**	**Underground Sampling**	**11**	**853**				
CBRC0033	**Novales-San Jose**	**402536**	**4802460**	**Underground Sampling**	**19**	**196**				
CBRC0034	**Sinforosa**	**398209**	**4799563**	**Field Targets**	**15**	**1260**				
CBRC0035	**Sinforosa**	**398136**	**4799540**	**Field Targets**	**10**	**289**				
CBRC0036	**Sinforosa**	**398112**	**4799612**	**Field Targets**	**30**	**2710**				
CBRC0037	**Sinforosa**	**398160**	**4799655**	**Field Targets**	**>10000**	**>10000**	**3.12**	**>30.0**		**31.66**
CBRC0038	**Sinforosa**	**398179**	**4799666**	**Field Targets**	**>10000**	**>10000**	**3.03**	**19.25**		
CBRC0039	**Sinforosa**	**398195**	**4799735**	**Field Targets**	**>10000**	**>10000**	**2.89**	**>30.0**		**32.85**
CBRC0040	**Sinforosa**	**398191**	**4799734**	**Field Targets**	**>10000**	**>10000**	**1.25**	**29.7**		

CBRC0041	Sinforosa	398133	4799746	Field Targets	>10000	>10000	7.69	22.5
CBRC0042	Sinforosa	398115	4799747	Field Targets	9740	>10000		9.45
CBRC0043	Sinforosa	398291	4799695	Field Targets	>10000	>10000	7.63	19.05
CBRC0044	Buenita	399860	4799308	Field Targets	145	2840		
CBRC0045	Mina de Duna	401054	4799351	Field Targets	516	>10000		18.4
CBRC0046	Mina de Duna	401070	4799354	Field Targets	53	2580		
CBRC0047	Mina de Duna	401082	4799369	Field Targets	>10000	>10000	3.2	11.85
CBRC0048	Mina de Duna	401089	4799391	Field Targets	>10000	>10000	3.85	17.95
CBRC0049	Mina de Duna	401058	4799386	Field Targets	342	6740		
CBRC0050	Mina de Duna	401017	4799575	Field Targets	75	517		
CBRC0051	Mina de Duna	401144	4799558	Field Targets	>10000	>10000	3.6	14.15
CBRC0052	Mina de Duna	401145	4799547	Field Targets	>10000	>10000	2.25	21.3
CBRC0053	Mina de Duna	401070	4799499	Field Targets	87	543		
CBRC0054	Mina de Duna	401006	4799457	Field Targets	624	>10000		10.35
CBRC0055	Dos Marias	399239	4803308	Field Targets	26	499		
CBRC0056	Dos Marias	398903	4803176	Field Targets	27	188		
CBRC0057	Sinforosa	398094	4799611	Field Targets	11	181		
CBRC0058	Sinforosa	398115	4799670	Field Targets	37	>10000		3.25
CBRC0059	Sinforosa	398108	4799688	Field Targets	32	957		
CBRC0060	Mina Gerra	405487	4805108	Field Targets	426	>10000		19.35
CBRC0061	Brinia	399726	4798826	Field Targets	17	3420		
CBRC0062	Brinia	399729	4798818	Field Targets	11	2940		
CBRC0063	Brinia	399712	4798792	Field Targets	12	4830		
CBRC0064	Brinia	399798	4798867	Field Targets	107	>10000		13.6
CBRC0065	Brinia	399815	4798854	Field Targets	379	7890		
CBRC0066	Brinia	399832	4798819	Field Targets	58	>10000		3.03