

**September 2024 Quarterly Report | 30 October 2024**

**Variscan Mines Limited (ASX:VAR)**

**More strong assay results from underground drilling at San Jose Mine  
Historic high-grade assay results at Udias Mine that are outside current  
Mineral Resource Estimate model**

**Additional equity raised to progress Novales-Udias Project  
Marketing agreement for sale of future zinc and lead production**

## **Key Highlights**

### **Drilling identifies thick zinc mineralisation outside of San Jose Mine's current Mineral Resource**

- More strong assay results were received from Variscan Mines' latest underground infill and extensional drilling campaign at the San Jose Mine (refer ASX Announcement 11 July 2024)
- Significant drilling results included:
  - NDDT033: 14.10m @ 5.31% Zn, 0.44% Pb
  - NDDT032: 11.00m @ 6.66% Zn, 0.72% Pb
  - NDDT034: 4.65m @ 5.49% Zn, 0.14% Pb
  - NDDT035: 4.00m @ 5.92% Zn, 0.26% Pb
- These results indicate significant mineralization intersected outside the existing Mineral Resource Estimate model delivering growth potential
- All new drilling results are to be incorporated into Mineral Resource Estimate update, which is expected to issue in the second half of calendar 2024.

### **Historic high-grade zinc-lead assays outside of Mineral Resource Model at Udias Mine**

- Newly compiled, assays from historic underground face-sampling at the Udias Mine show very high-grade zinc-lead results, confirming mineralization outside of the current Mineral Resource Estimate footprint (refer ASX Announcement 10 September 2024)
- The high-grade sample results taken along development drives and faces include:
  - Sample UTS-15: 4.50m @ 26.47% Zn, 19.46% Pb
  - Sample UTB-65: 2.80m @ 35.87% Zn, 0.17% Pb
  - Sample UTB-11: 4.00m @ 21.50% Zn, 0.32% Pb
  - Sample B-20: 3.00m @ 28.20% Zn, 5.90% Pb
  - Sample UTB-32: 2.00m @ 36.95% Zn, 0.41% Pb

- Sample UTB-132: 2.00m @ 35.39% Zn, 0.07 % Pb
- Sample UTB-86: 4.00m @ 16.39% Zn, 2.18% Pb
- Sample D-5: 1.55m @ 41.00% Zn, 0.22% Pb
- Total batch of 337 samples compiled over distance of 2.2km
- Samples have supported definition of high-priority targets for the forthcoming underground drilling at Udias Mine

#### **Interim funding and follow-on Direct Placement**

- Completion of interim funding initiative, raising \$294,000 through the issue of 49,000,000 new ordinary shares at \$0.006 per share
- The placement was supported by Variscan Mines' largest shareholder, Zinc GroupCo, and also attracted new sophisticated investors
- Directors provide an additional \$132,000 of unsecured working capital loans, convertible into new shares, subject to shareholder approval
- A subsequent Placement of 15,000,000 new ordinary shares to Zinc GroupCo, the Company's major shareholder, priced at \$0.006 per share.
- Zinc GroupCo now holds a 22.57% stake in Variscan Mines

#### **Fully underwritten renounceable Entitlement Offer**

- A fully-underwritten renounceable entitlement offer (the Offer) was announced on 26 September 2024.
- As announced on 30 October 2024, applications were received for 130,447,227 shares raising \$913,130, with the remaining 164,885,821 shares to be allocated as shortfall under the terms of the offer.
- Total raised under the offer was \$2.067 million before costs.

#### **Marketing agreement for sale of future zinc and lead production**

- Variscan has appointed Square Trading as its exclusive marketing manager for the worldwide sale of zinc concentrates from its Novales-Udias and Guajaraz Projects in Spain
- Square Trading will also assist Variscan to secure third party financing to construct and operate the mines being developed by Variscan
- Square brings considerable global marketing and trading experience, and capacity

#### **Future critical Novales-Udias Project milestones expected**

- Underground drilling at the Udias Mine
- Updated Mineral Resource Estimate
- Publication of a Mine Re-Start Study

**Variscan Mines Limited (ASX:VAR) (“Variscan” or “the Company”)** is pleased to announce its Appendix 5B for the quarter ended 30 September 2024 (“Q1 FY25”) and an accompanying operational update for this period.

**Variscan’s Managing Director & CEO, Stewart Dickson said,**

*“The exploration and development plan for our enlarged Novales-Udias Zinc-Lead Project in northern Spain was further progressed in the September 2024 quarter.*

*“We have delivered another set of pleasing results from our latest underground drilling campaign at the San Jose Mine. These results revealed excellent intercepts and grades outside our existing Mineral Resource Estimate model. We also released historic high-grade zinc-lead sampling results from the Udias Mine complex which is linked to the San Jose Mine. They provided an exciting preview to our first-ever drill-testing of identified targets within this former producing mine.*

*“We were excited to announce a marketing agreement with well-established and leading natural resources marketing and trading house, Square Resources. This is an important relationship for the future sale of zinc and lead concentrates we expect to produce.*

*“In a pleasing endorsement of our high-quality zinc projects in Spain, the September 2024 quarter also saw Variscan raise additional capital, which will fund the delivery of further Novales-Udias development plan milestones. These equity raisings saw both continued strong support from Zinc GroupCo, as well as the entry onto our share register of new sophisticated and professional investors.*

*“Looking to the near term, we anticipate additional positive news flow from our Novales-Udias activities over the final part of calendar 2024, with the Company on track to issue both an updated Mineral Resource Estimate and the much anticipated-Mine Re-Start Study by the end of this period.”*

## OPERATIONS REVIEW

Variscan's exploration and development strategy for the Novales-Udias Project continued to be advanced over the September 2024 quarter. This period saw further exploration activities across this now enlarged Project, new equity raised and a marketing agreement.

### Spain – Novales-Udias Zinc Project

The Novales-Udias Project is located in the Basque-Cantabrian Basin, some 30km southwest from the regional capital, Santander.

Since its acquisition, the Project has been centred around the former producing San Jose underground mine with a large surrounding area of exploration opportunities over the 9km Novales Trend, which includes a number of satellite underground and surface workings.

In April 2024, the Novales-Udias Project was materially upsized after the addition of five new licence areas (see ASX announced dated 8 April 2024). These new licences comprised a large area of 34.4km<sup>2</sup> contiguous to the existing tenements. The newly acquired licences extended the Novales-Udias Trend of zinc mineralization to approximately 12km in length. This enlarged licence package includes the former producing, San Jose and Udias Mines (including access to the Pozo Madrano shaft), as well as numerous historical small-scale mines and workings.

The project, continued to be the major focus of Variscan's exploration and development activities over the three months to 30 September 2024.

### Results from current drilling campaign expands mineralization beyond existing MRE model

In very early Q1 FY25, the Company followed through on its stated plans to upscale the duration and meterage of its underground drilling program at the San Jose Mine (see ASX announcement dated 11 July 2024).

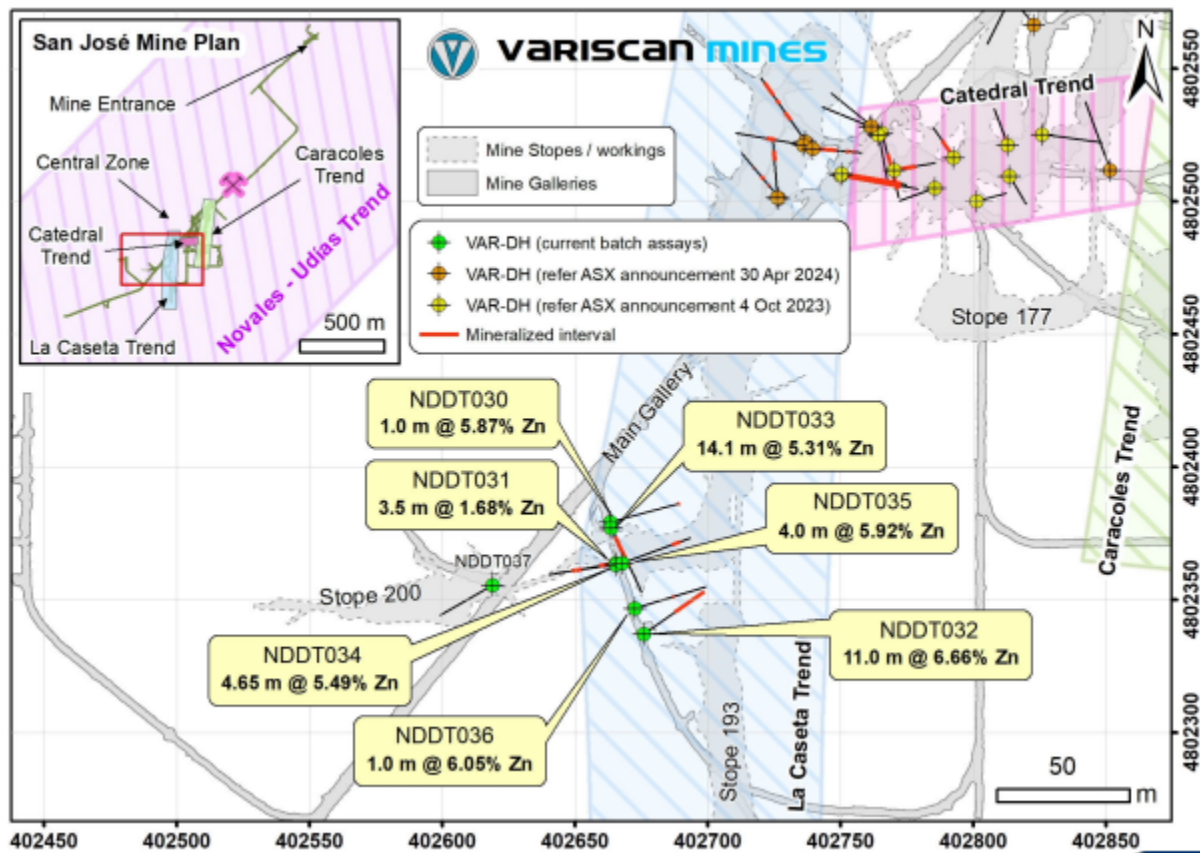
This now-extended drilling campaign is focused on expanding known zones of mineralization and discovering new zones with a view to supporting an upgraded Mineral Resource Estimate ("MRE"). The campaign had the following objectives to support the eventual restart of production at the San Jose Mine:

- Drill-test structures within and beyond the defined MRE area, which have to date seen limited exploration drilling
- Discover new zones of mineralization to increase overall size of current MRE tonnage
- Increase the confidence level of the orebody.

The drilling results reported have targeted zinc-lead structures identified from geological assessment and the structural targeting study (refer ASX announcement dated 19 February 2024), which has resulted in a much-improved understanding of the controls on multi-phase zinc-lead mineralization at the San Jose Mine.

Further, these areas were previously under-explored or under-exploited. The high-grade intercepts reported hit the cross-cutting D2 structure linking Stope 200 and the La Caseta Trend. This target area lies outside of the existing MRE model.

**Figure 1.** Plan view of new drill-hole data over the Central Zone, San Jose Mine



The newly identified mineralization arising from these positive drill results is outside the existing MRE and shows the potential to increase the mineral resource. The drilling results demonstrate significant potential for resource extensions both above and below the main gallery level.

Key assay results from this drilling program included:

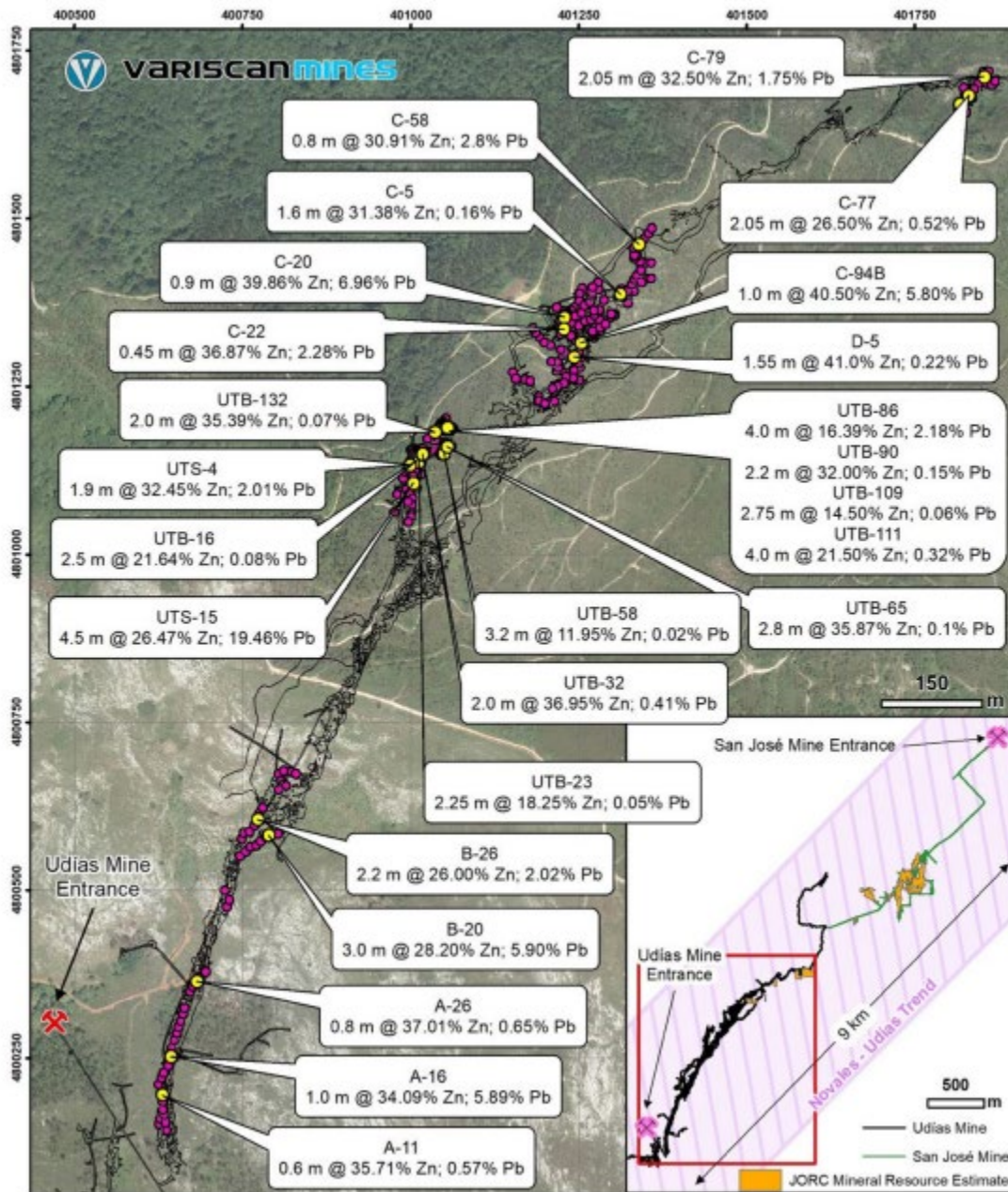
- NDDT027: 14.5m @ 8.93% Zn, 0.50% Pb
- NDDT029: 11.6m @ 8.43% Zn, 1.61% Pb
- NDDT026: 7.0m @ 5.30% Zn, 0.04% Pb
- NDDT028: 6.0m @ 6.59% Zn, 0.62% Pb
- NDDT020: 3.0m @ 5.55% Zn, 0.41% Pb



## Historic high-grade zinc-lead assays at old Udias Mine, outside of mineral resource model

In mid-September 2024, Variscan released assay results compiled from historic data recording face sampling at the former producing Udias Mine, situated within the enlarged Novales-Udias Project (see ASX announcement dated 10 September 2024). The Udias Mine complex is directly linked underground to the San Jose Mine near Novales, and both mines sit on the 12km-long Novales Trend.

**Figure 2.** Plan view of underground face sampling results in the Udias Mine



The results, which were compiled from 337 samples, point to significant upside in the broader Novales-Udias Project. The samples look to have been taken in the early 1980s, some 50 years after all mining operations had ceased at the Udias Mine.

Sulfide zinc-lead mineralization was never mined at Udias because of the lack of suitable ore processing technology pre-1930 and has been proven to continue along strike for over 2.2km. The majority of the old Udias Mine sits outside of the current MRE and has not yet been drilled by Variscan. The southern part of the Udias Mine, exceeding 1.4km in length, has never been drilled at all.

The result of this thorough review of archive data, together with historical drilling results (refer ASX announcement dated 7 August 2023), was the delineation of several high-priority targets for the imminent round of drill testing.

### **Spain – Guajaraz Zinc Project**

The Guajaraz Project is a prospective brown-field zinc-rich polymetallic opportunity with known mineral occurrences. The Project is located in the highly mineralised Central Zone of the Iberian Massif, which ranks as one of the most mineralised geological units globally and represents the internal zone of the prolific European Variscan Orogenic belt.

The Project area lies within a primary igneous and metamorphic crystalline plateau that hosts abundant hydrothermal vein networks that have a long history of exploration. Brittle-fault related vein and silicified breccia ore deposits are of the BPGC type (zinc-galena-pyrite-chalcopyrite).

While the main focus over the September 2024 quarter was again the exploration and eventual development of the Novales-Udias project, Guajaraz remains a core asset in Variscan's portfolio.

In late October 2023, Variscan announced that the Consejería de Desarrollo Sostenible (Department of Sustainable Development) of the Junta de Comunidades de CastillaLa Mancha (the regional Government of Castile-La Mancha) had approved a 3-year extension of the "Guajaraz" Permiso de Investigación (Exploration License), located in central Spain (see ASX announcement dated 26 October 2023).

The design of the future long-term work program for the Guajaraz Project includes:

- soil geochemistry
- geophysical survey
- initial drilling campaign.

## PROJECT SUMMARIES

### Spain – Zinc-rich Novales-Udias Project

The Novales-Udias Project is located in the Basque-Cantabrian Basin, some 30kms southwest from the regional capital, Santander. The project is centred around the former producing San Jose underground mine with a large surrounding area of exploration opportunities for a number of satellite deposits based on underground and surface workings, our substantial database of historic drilling and multiple areas of zinc anomalism identified from recent and historic geochemical surveys. Variscan has upsized the NE-SW Novales Trend over 12kms with a sub-parallel mineralised trend over at least 3kms of strike.

Key highlights of the Novales-Udias Project:

- Near term zinc production opportunity
- Large tenement holding of +100 km<sup>2</sup> (including several granted mining tenements)
- Maiden JORC compliant Mineral Resource Estimate of 1.08Mt at 10%Zn established in Q4 2023 (Table 1)
- Regional exploration potential for another discovery analogous to Reocin (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb <sup>1 2</sup>)
- San Jose Mine is within trucking distance of Glencore zinc smelter in neighboring region of Asturias
- Classic MVT carbonate hosted Zn-Pb deposits
- Historic production of high-grade zinc; average grade reported as around 7% Zn <sup>3</sup>
- 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 <sup>4</sup>
- Assay results of targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb <sup>5</sup>
- Access and infrastructure all in place  
Local community and government support due to historic mining activity.

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<sup>1</sup> 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, BasqueCantabrian Basin, Northern Spain: in Econ. Geol. v.98, pp. 1371-1396.

<sup>2</sup> 3 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> Refer to ASX Announcement of 19 December 2019.



**Table 1.** JORC Mineral Resource Estimate for San Jose Mine and north-eastern Udías by deposit and classification reported above a 2% Zn cut-off (refer ASX announcement 28 November 2023)

Deposit	Classification	Tonnes (Kt)	Zn %	Pb %	Zn + Pb %
San Jose	Indicated	490	10.0	1.7	11.7
	Inferred	250	12.3	1.6	14.0
	<b>Sub-total</b>	<b>740</b>	<b>10.8</b>	<b>1.7</b>	12.5
San Jose (NE)	Inferred	260	4.7	0.1	4.8
Udías (NE)	Inferred	90	6.5	0.4	6.8
Total	<b>Indicated</b>	<b>490</b>	<b>10.0</b>	<b>1.7</b>	<b>11.7</b>
	<b>Inferred</b>	<b>590</b>	<b>8.2</b>	<b>0.8</b>	<b>8.9</b>
	<b>Total</b>	<b>1,080</b>	<b>9.0</b>	<b>1.2</b>	<b>10.2</b>

Notes:

- Due to effects of rounding, the total may not represent the sum of all components.
- Mineral Resource is reported from all blocks, classified as either Indicated or Inferred, where interpolated block grade is  $\geq 2.0\%$  Zn
- Block model is coded where blocks have been depleted by historical underground mining activities.
- A density value of 3 t/m<sup>3</sup> is applied to all blocks

### Spain – Guajaraz Zinc-rich Polymetallic Project

The Guajaraz Project is a prospective brown-field zinc-rich polymetallic opportunity with known mineral occurrences. The project is located in the highly mineralised Central Zone of the Iberian Massif, which ranks as one of the most mineralised geological units globally and represents the internal zone of the prolific European Variscan Orogenic belt. Variscan believes Guajaraz represents an excellent, de-risked brownfield polymetallic project. Reflective of this belief in the prospectivity of this Project, the Company filed an application with the authorities in Castilla-La Mancha during the year for a 3-year extension of the current exploration licence over the Guajaraz tenement area. This 3-year extension, covering the period 2023 through 2026 was granted to Variscan Mines' local Spanish subsidiary, Variscan La Mancha in late October 2023.

## FINANCIAL & CORPORATE

### New capital to fund ongoing Novales-Udías Project exploration/development activities

Variscan successfully completed three separate equity raises over Q1 FY25. As a package, these new funds provide funding for the development plan for the enlarged Novales-Udías Project and bolster corporate and operational working capital.

Specific development plan initiatives include:

- Underground drilling program at the Udias Mine
- Exploration drilling over the newly enlarged Novales-Udias Project
- The generation of additional data for a Mineral Resource Estimate upgrade
- Additional input data and studies for the intended Mine Re-Start Study
- The review of additional complimentary prospects and corporate development opportunities.

Early in Q1 FY25, the Company completed interim funding through the placement of 49,000,000 shares at \$0.006 per share to sophisticated and professional investors (see ASX announcement dated 22 July 2024).

This Placement raised \$294,000 and included an attaching unlisted option to be issued, subject to shareholder approval, on the basis of 1 option for every 2 shares taken up in the Placement. The unlisted options will be exercisable by payment of \$0.01 each on or before the date two years from the date of issue.

The Placement shares were issued pursuant to the Company's capacity under Listing Rule 7.1 and 7.1A.

In addition, working capital Loans totalling \$132,000 were provided by directors (see ASX announcements dated 22 July 2024 and 20 September 2024).

#### **Interim Funding Extension completed**

In mid Q1 FY25, Variscan completed an extension to the above-mentioned interim funding raise (see ASX announcement dated 23 August 2024). This extension involved the placement of an additional 15,000,000 shares to Zinc GroupCo Pty at \$0.006 per share (the same price as the initial interim funding placement).

This follow up placement to Zinc GroupCo Pty, raised an additional \$90,000, and was made pursuant to the Company's capacity under Listing Rule 7.1.

This brought the total amount raised from the interim funding to \$384,000, comprising 64,000,000 shares, priced at \$0.006 per share.

#### **Renounceable entitlement offer**

Late in Variscan's Q1 FY25, the Company announced an underwritten 2-for-3 renounceable entitlement offer ("**the Offer**") to Eligible Shareholders that will raise approximately A\$2.067m (before costs) (see ASX announcement dated 26 September 2024). These new shares have an offer price of 0.7 cents per share.

Eligible Shareholders participating in the Offer will also receive one (1) free attaching New Option for every four (4) new shares subscribed for and issued under the Offer. The New Options will be unlisted, exercisable at 1.5 cents per share and will have an expiry date of two years from the date of issue.

The Offer was fully underwritten by Whairo Capital Pty Ltd who was appointed as Lead Manager and Underwriter.

Following completion the Offer Variscan will issue approximately 295.3 million new shares in the Company, resulting in a total of approximately 738.3 million fully paid ordinary shares on issue.

### **Marketing agreement for sale of future zinc and lead production**

Midway through Variscan's Q1 FY25, the Company announced that it had entered into an exclusive Marketing Agreement ("**Marketing Agreement**") with Square Trading Singapore Pte Ltd ("**Square Trading**") for the future sale of zinc and lead concentrates from the Novales-Udias and Guajaraz Projects (see ASX announcement dated 13 August 2024).

The key terms of the Marketing Agreement are:

- Exclusive marketing rights to all zinc concentrate from the Novales-Udias and Guajaraz Projects in Spain. The term will end five (5) years from the date of the first invoice issued to a customer relating to a delivery of said concentrates. Variscan may extend the end date for a further period of not less than one year by written notice to Square Trading
- The parties will negotiate and agree to a competitive, commercial marketing fee, immediately following the Company announcing the results of the Mine Re-Start Study
- Square Trading's services will include developing and updating marketing strategies; preparing and providing short- and long-term marketing plans; introducing Variscan to customers; liaising with customers in respect of sales contracts; assisting in preparing technical and commercial presentations to customers in respect of the concentrates
- Square Trading will use their reasonable endeavours to assist with procuring financing for Variscan to construct and operate the Projects so as to enable the delivery of concentrates from the Company to customers.

### **Rosario project in Chile relinquished**

The success of the exploration and development work on Variscan's Spanish assets has merited capital allocation and resources being focused on those projects. Our focus is rightly on our key objective of working towards re-starting production at the Novales-Udias Project. Consequently, Variscan's Board of Directors have decided to relinquish the Company's limited interest in the Rosario Project in Chile. All expenditure has ceased in Chile and the local company is being wound up.

### **CASH**

Cash at bank at the end of the quarter was \$223,000. As announced on 30 October 2024, the Group's fully-underwritten renounceable entitlement issue has closed, raising an additional \$2,067,335 (before costs).

## SUMMARY OF EXPENDITURE ON EXPLORATION ACTIVITIES

For the quarter, the Group spent \$234,000 on exploration activities, substantively all of which related to the Group's Spanish zinc projects. These exploration activities related to:

- Underground drilling;
- Geological mapping and modelling;
- Technical consulting fees;
- Tenement administration, reporting and management; and
- Directly-attributable corporate overheads and administration costs.

In accordance with ASX Listing Rule 5.3.2, the Company advises that no Mining Development or Production activities were conducted during the quarter.

## DEFERRED SETTLEMENT SHARES

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

- Milestone 1: 4 million tonnes at 7% Zn
- Milestone 2: 8 million tonnes at 7% Zn
- Upon satisfaction of each of these milestones, the Company must issue 27,500,000 ordinary shares to the vendors of Slipstream Spain Pty Ltd and Slipstream Spain 2 Pty Ltd, and 2,426,471 shares to Hispanibal S.L. as the vendor of the "Hispanibal Option", for a total of 59,852,941 Ordinary Shares if both milestones are met.

There is currently no obligation to issue the milestone shares.

## OTHER

During the quarter, the Company made payments to related parties of \$23,000, represented by remuneration paid to Directors.

## ENDS

This ASX announcement has been authorised by the Variscan Mines Limited

### For further information, please contact:

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## About Variscan Mines Limited (ASX:VAR)

Variscan Mines Limited (ASX:VAR) is a growth oriented, natural resources company focused on the acquisition, exploration and development of high-quality strategic mineral projects. The Company has compiled a portfolio of high-impact base-metal interests in Spain, Chile and Australia. Its primary focus is the development of its advanced zinc projects in Spain. The Company's name is derived from the Variscan orogeny, which was a geologic mountain building event caused by Late Paleozoic continental collision between Euramerica (Laurussia) and Gondwana to form the supercontinent of Pangea.

To learn more, please visit: [www.variscan.com.au](http://www.variscan.com.au)

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## COMPETENT PERSONS STATEMENTS

### Exploration

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Dr. Michael Mlynarczyk. Dr Mlynarczyk is a Principal consultant for Redstone Exploration Services, a geological consultancy acting as an external consultant to Variscan Mines and is a Professional Geologist (PGeo) of the Institute of Geologists in Ireland, and European Geologist (EurGeol) of the European Federation of Geologists, as well as a Fellow of the Society of Economic Geologists (SEG). Mr Mlynarczyk has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr. Mlynarczyk consents to the disclosure of the information in this report in the form and context in which it appears.

### Mineral Resource Estimate

The information in this report that relates to Mineral Resources is based on, and fairly reflects, information compiled by Dr. Michael Mlynarczyk. Dr. Michael Mlynarczyk is a Principal consultant for Redstone Exploration Services, a geological consultancy acting as an external consultant to Variscan Mines and 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). Dr. Michael Mlynarczyk has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr. Michael Mlynarczyk consent to the disclosure of the information in this report in the form and context in which it appears.

Where reference is made to previous releases of exploration results and mineral resource estimates in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results and mineral resource estimates included in those announcements continue to apply and have not materially changed.

Reference is made to the following ASX announcements: 29 January 2024; 19 February 2024; 4 March 2024; 8 April 2024.



LISTING OF TENEMENTS HELD AT 30 SEPTEMBER 2024

Tenement	Tenement No.	Interest	Joint Venture Details
<b>SPAIN – Note 5</b>			
<u>Cantabria</u>			
Buenahora Fraction 1	IP 16.662-01	100%	
Buenahora Fraction 2	IP 16.662-02	100%	
San José	EC 94	100%	
La Torra	EC 512	100%	
Tres Amigos	EC 1565	100%	
Torpeza	EC 2557	100%	
Andrea	EC5220	100%	
Andrea-demásía a	EC5374	100%	
Es	EC8049	100%	
Dudosa	EC8165	100%	
Cargadoiro	EC11589	100%	
Tres amigos-demásía a	EC11594	100%	
Flor del pueblo	EC12942	100%	
Torpeza-demásía a	EC12952	100%	
Torpeza-3ª demásía a	EC13079	100%	
Torpeza-2ª demásía a	EC13080	100%	
Flor del pueblo-demásía a	EC13154	100%	
Dudosa-demásía a	EC13170	100%	
Andrea-3ª demásía a	EC13175	100%	
Andrea-2ª demásía a	EC13176	100%	
Cargadoiro-demásía a	EC13260	100%	
Ampliación a Matilde	EC13641	100%	
Aumentada	EC14238	100%	
Campitos	EC14554	100%	
Campitos-demásía a	EC14640	100%	
Carmenchu	EC14945	100%	
Amelita	EC14949	100%	
Eloísa	EC14947	100%	
Ampliación a Matilde-demásía a	EC14948	100%	
Cargadoiro 2	EC14954	100%	
Amelita-demásía a	EC14979	100%	
Carmenchu-demásía a	EC14980	100%	
Eloísa-demásía a	EC14981	100%	
Carmenchu-2ª demásía a	EC14982	100%	
6º Aumento a porvenir	EC15672	100%	
Ampliación a Matilde-demásía a	EC13641-10	100%	
Campitos-segunda demásía a	EC14554-20	100%	
Cargadoiro 2- demásía a	EC14954-10	100%	
Carmenchu-tercera demásía a	EC14980-30	100%	

Tenement	Tenement No.	Interest	Joint Venture Details
6º Aumento a porvenir-demásía a	EC15672-10	100%	
Torpeza-tercera demásía a	EC2557-30	100%	
Esperanza	IP 16674	100%	
Estela	IP 16672	100%	
Elena	IP 16673	100%	
Candela	IP 16676	100%	
Valeria	IP 16675	100%	
<u>Toledo</u>			
Guajaraz	IP 4.203	100%	

<b>NEW SOUTH WALES</b>			
Willyama	EL 8075	0%	Note 1
Hillston	EL 6363	39.2%	Perilya can earn 80%, Eaglehawk 9.8%
Native Dog	EL 8236	0%	Note 1
Woodlawn South	ELs 7257 and 7469	0%	Royalty interest only
<b>SOUTH AUSTRALIA</b>			
Junction Dam	EL 5682	0%	Marmota acquired 100% ownership. See Note 2
Callabonna	EL 5360	49%	Red Metal 51%, can earn 70%
<b>FRANCE</b>			
St Pierre	PER	100%	
Beaulieu	PER	100%	

EL = Exploration License

PER = Permis Exclusif de Recherche (France)

IP = Investigation Permit (Spain)

EC = Exploration Concession (Spain)

Note 1: Under an agreement with Silver City Minerals Limited, Broken Hill Operations and Eaglehawk Geological Consulting Pty Ltd Variscan has converted its interest in parts of these tenements to a NSR (Net Smelter Return).

Note 2: Marmota has earned 100% of the uranium rights only in EL 5682. Variscan has a 0.5% net profits royalty on production from a uranium mine.

Note 3: The remaining exploration licenses owned by Variscan Mines SAS (excluding the Couflens PER) have been conditionally acquired by a new wholly owned subsidiary, Variscan Mines Europe Limited. Pursuant to the approval for the Subsidiary Sale, the Ministry of Economy and Finance has imposed, without prior consultation, the compulsory relinquishment of the remaining licenses. The Company has approved the relinquishment request and has yet to receive a response. The timetable for the completion of the relinquishment process is unknown.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Variscan Mines Limited

ABN

16 003 254 395

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2)	(2)
(b) development	-	-
(c) production	-	-
(d) staff costs	(23)	(23)
(e) administration and corporate costs	(101)	(101)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(125)</b>	<b>(125)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(234)	(234)
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(234)</b>	<b>(234)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	300	300
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Receipt of Director Working Capital loans	32	32
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>332</b>	<b>332</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	250	250
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(125)	(125)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(234)	(234)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	332	332
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>223</b>	<b>223</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	223	250
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>223</b>	<b>250</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	23
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(125)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(234)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(359)
8.4 Cash and cash equivalents at quarter end (item 4.6)	223
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	223
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.62
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The Company is planning on remaining active, however future exploration activity is discretionary and exploration programs will be dependent on available cash.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: As advised on 26 September 2024, the Company commenced a fully underwritten Renounceable Entitlement Offer to raise approximately \$2 million through the issue of 295.3 m shares.	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the entity expects that it will be able to continue its operations and meet its business objectives based on the entity's responses in item 8.8.2 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....30 October 2024.....

Authorised by: .....The Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.