

ASX Announcement | 22 July 2024

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

## **INTERIM FUNDING RECEIVED - PROVIDES IMPETUS FOR CONTINUED EXPLORATION AND DEVELOPMENT AT SAN JOSE MINE**

### **Highlights**

- **Completion of interim funding to raise \$294,000 through the issue of 49,000,000 new ordinary shares at \$0.006 per share to further progress the Novales-Udias zinc project.**
- **Placement supported by Zinc GroupCo (the Company's largest shareholder) and attracted new sophisticated investors**
- **Zinc GroupCo maintains a 19.9% shareholding in the Company**
- **Directors have provided an additional \$100,000 of unsecured working capital loans convertible into new shares on the same terms of the Interim Placement, subject to shareholder approval.**

**Variscan Mines Limited ("Variscan" or the "Company" or the "Group") (ASX:VAR)** is pleased to advise that it has completed an Interim Placement of 49,000,000 ordinary shares at \$0.006 each to raise \$294,000. In addition, Directors have provided working capital funding of \$100,000 in form of unsecured loans. The terms of these funding arrangements are set out below.

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

*"Undoubtedly the current market conditions have made the timing of a placement awkward. Frustratingly the demonstrable progress we have continued to make since the previous capital raise has not met with value appreciation. The Board is grateful for the ongoing support from existing shareholders and welcomes all new holders to the Company. They share our conviction in our Spanish zinc projects, our strategy to advance them, as well as the deep value opportunity presented.*

*We continue to progress one of the highest-grade, development stage zinc deposits in Europe towards re-starting production. Proceeds from this capital raise will go into the ground, to continue progressing the exciting drilling programs and results coming from the Novales-Udias Project as well as associated studies to evaluate re-starting the San Jose Mine."*

## Interim Funding

The Company has completed interim funding through the placement of 49,000,000 shares at \$0.006 per share (the Placement) to sophisticated and professional investors. The 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. An Appendix 2A follows for immediate release.

## Working Capital Loans

The Chairman, Mr. Tony Wehby and Managing Director, Mr. Stewart Dickson have provided working capital loan funds in the amount of \$100,000.

Key terms of the working capital loans (the "**Director Loans**") were agreed as follows:

1. The Director Loans are unsecured;
2. The Company is not restricted on how the funds are used;
3. The Director Loans have a maturity date of 31 July 2025;
4. The Director Loans may be converted into ordinary shares, at the election of the Company and subject to shareholder approval, on the same terms as the Placement; and
5. If the Director Loans are not converted into ordinary shares they attract interest at the rate of 1% per month.

## Directors Support: Issuance of Shares to Directors in lieu of certain fee entitlements

Directors have deferred remuneration entitlements of approximately A\$300,000, to assist the Company in its exploration and development programs. It is proposed, subject to shareholder approval, to convert some of this deferred remuneration for the period ended 30 June 2024 into new ordinary shares in the capital of the Company (the "**Conversion Shares**"). No options will attach to the Conversion Shares. Full details of the fees to be converted and the basis of the issue, once finalised, will be set out in a Notice of Meeting to be sent to shareholders.

## General Meeting

A Notice of Meeting for a General Meeting of Shareholders will be circulated in due course.

**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. Its primary focus is the development of its advanced zinc projects in Spain.

This ASX announcement has been authorised by the Board of Variscan Mines Limited

To learn more about Variscan Mines Limited please click here: [www.variscan.com.au](http://www.variscan.com.au)

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