



HIGH-GRADE ASSAY RESULTS FROM GUARAJAZ PROJECT GRAB SAMPLES

Highlights

- **Grab samples collected during follow-up geological field work at Variscan's zinc-rich polymetallic Guarajaz Project in central Spain**
- **Assays from these grab samples returned high-grade zinc, lead and silver results**
- **Significant assay results with these samples included:**
 - **11.5% Zn, 4.6% Pb, 248ppm Ag** **Sample ID: GJ2**
 - **7.8% Zn, 3.7% Pb, 0.9% Cu, 278ppm Ag** **Sample ID: GJ1**
 - **7.5% Zn, 4.6% Pb, 115ppm Ag** **Sample ID: GJ5**
 - **3.6% Zn, 4.1% Pb, 218ppm Ag** **Sample ID: MN1**
 - **3.0% Zn, 2.5% Pb, 81ppm Ag** **Sample ID: GJ4**
- **Variscan has submitted an application for a 3-year extension of its exploration license at the Guarajaz Project**

Variscan Mines Limited ("**Variscan**" or the "**Company**" or the "**Group**") (ASX:VAR) is pleased to announce new high-grade assay results from grab sampling conducted around former mine areas and prospects within its Guarajaz Project in Castilla-La Mancha, central Spain.

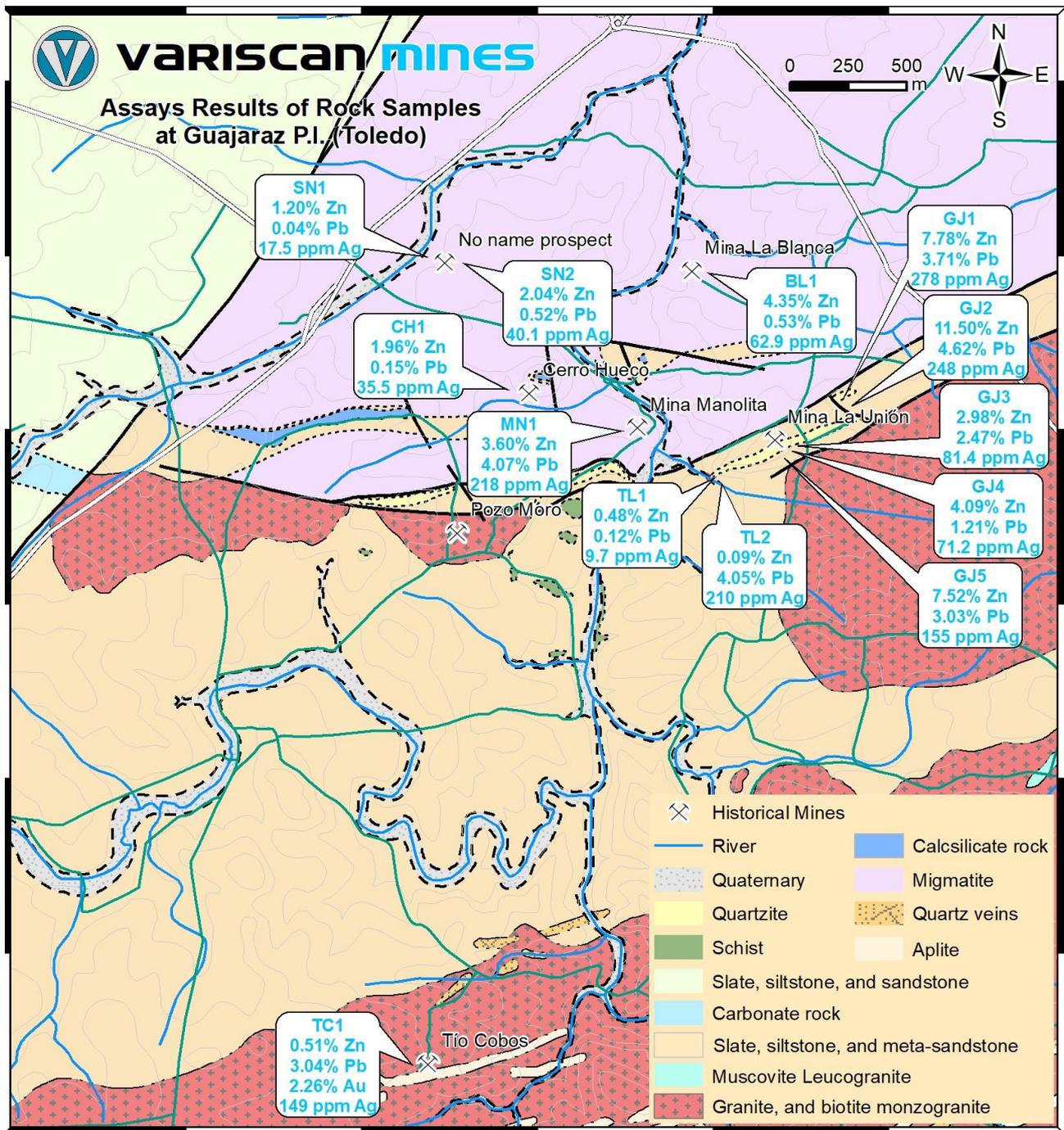
The grab sampling was part of a broader geological field reconnaissance program recently undertaken at Guarajaz. The assay results identified the presence of significant zinc, lead, copper, and silver, supporting the presence of high-grade polymetallic mineralisation suitable for future drill testing.

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

"While the Novales-Udias Project in Cantabria remains our immediate and main focus, we are putting carefully targeted efforts into proving up the prospectivity of other projects in our portfolio. Prior to the current drill programme commencing at the San Jose Mine, we took the opportunity to conduct some follow-up exploration work on the Guarajaz Project in Castilla-La Mancha, where very little exploration has been conducted for nearly 40 years. We are thrilled with the high-grade assay results coming out of grab samples taken during this geological fieldwork. It has provided us with multiple target areas to focus on in future drilling campaigns there.

These Guarajaz assay results demonstrate excellent potential for the recently identified drill targets to have good depth extensions and to aggregate into a substantial strike-extensive mineralised systems. Our belief is that Guarajaz represents an excellent, de-risked brownfield polymetallic project. Aligning with this view, we have filed an application with the authorities in Castilla-La Mancha for a 3-year extension of the current exploration licence over the Guarajaz tenement area."

Figure 1. Plan view of Guajaraz project area showing new grab sample assay results for zinc, lead and silver



Key findings & potential future activities

- Grab samples identified high-grade mineralisation from historic mine workings
- These grades are consistent with previous sampling which returned high grades including; 17.35% Zn, 11.95% Pb, 0.49% Cu and 332 g/t Ag (refer ASX announcement 29 July 2019)
- Going forward, the high-grade results confirm target areas for future exploration including:
 - further geological exploratory work leading to scout-drilling
 - Future drill-testing of confirmed targets

Table 1. Rock Chip Assay Results for Zinc, Lead and Silver

Sample ID	Mine/Prospect Location	Zn %	Pb %	Ag ppm
GJ1	Mina La Union	7.78	3.71	278
GJ2	Mina La Union	11.50	4.62	248
GJ3	Mina La Union	2.98	2.47	81.4
GJ4	Mina La Union	4.09	1.21	71.2
GJ5	Mina La Union	7.52	3.03	155
TC1	Tio Cobos	0.51	3.04	149
BL1	Mina La Blanca	4.35	0.53	62.9
SN1	Sin nombre (No name)	1.20	0.04	17.5
SN2	Sin nombre (No name)	2.04	0.52	40.1
CH1	Cerro Hueco	1.96	0.15	35.5
MN1	Manolita	3.60	4.07	218
TL1	Mina La Union	0.48	0.12	9.7
TL2	Mina La Union	0.09	4.05	210

The Guarajaz Project is located in a known resource-rich region

Variscan's Guarajaz Project located in the Central Zone of the Iberian Massif, approximately 60km southwest from Madrid is centred around the former producing La Union underground mine, which together with the adjacent La Blanca and Manolita mines form a large surrounding exploration opportunity.

The Guarajaz Project actually comprises seven mineral occurrences, with the largest and best known being the old Guarajaz Mine (also known as La Union Mine) located on the contact between Paleozoic (limestones) rocks and migmatitic rocks.

Production began at the La Union Mine in 1945 and ceased in in the mid-1980s, with limited exploration since that time.

The mining complex is composed of a network of galleries and shafts extending to a depth of 380m. There are several kilometres of underground workings over 10 separate levels accessing ore. Historical records indicate that the mineralisation was only partially exploited and remains open both along strike and at depth.

Guarajaz's upside potential extends beyond historic resource estimates

The key attractions of the Guarajaz Project:

- High quality brownfield zinc-rich polymetallic opportunity.
- Seven (7) known mineral occurrences presenting potential for future drilling.

- Foreign and historic non-JORC compliant resource estimate compiled by ENADMISA¹ in 1990 of approximately 5-10Mt with grades of 10% Zn, 0.5% Pb and 130 g/t Ag^{2 3}.
- A large permit area of 1,530 ha.
- Existing access and infrastructure in place.
- Local community and government support due to historic mining activity.

The geology of Guajaraz points to prospectivity

The Guajaraz Project is located in the 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 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).

The reef structures at Guajaraz are quite consistent in position and strike extension in most cases. This holds an exploratory advantage, as drillholes can be oriented at surface with the same or similar dip and azimuth to intersect the south dipping mineralised contact between migmatites and Paleozoic sediments perpendicular to the contact. This will assist with defining true thickness.

Application to extend exploration licence has been submitted

The Company's local Spanish subsidiary, Variscan La Mancha has filed an application with the authorities in Castilla-La Mancha for a 3-year extension of the current exploration licence over the Guajaraz tenement area. Variscan La Mancha has validly fulfilled the requirements for an extension to the exploration permit, the initial 3 year term of which expired this month. From the expiry date to the official extension date, the title is valid. Spanish regulations allow the mining authorities up to 3 months to examine and approve the application. This review period has now commenced.

Looking ahead

Variscan's immediate focus is progressing with underground drilling at its San Jose Mine in northern Spain and returning results as soon as possible.

Additionally, the Company will be advancing a number of San Jose-related follow-up activities and deliverables including:

- A geophysical survey of surface drill targets over the Buenahora license area.
- Delivery of a pending surface drilling application covering the Buenahora license area.
- A surface drilling campaign to test step out extensions in the vicinity of the San Jose Mine.
- In support of the above activities, the delivery of now work-in-progress environmental, social and governance ("ESG") initiatives.

¹ Spanish state owned company: Empresa Nacional Adaro Investigaciones Mineras s.a

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 done 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 Refer to Competent Person Statement for further information provided in accordance with Listing Rule 5.12

ENDS

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

For further information:

Variscan Mines Limited

Stewart Dickson

T: +44 (0) 7799 694195

E: stewart.dickson@variscan.com.au

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. 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.

Competent Person Statement

The information in this document that relates to Exploration Results at the Guajaraz 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.

The Company refers to the ASX Announcement dated 29 July 2019 and confirms that it is not in possession of any new information or data relating to the historic and foreign resource estimates that materially impacts on the reliability of the estimates or the Company's ability to verify the historic and foreign resource estimates. The Company confirms that the supporting information provided in the ASX Announcement dated 29 July 2019 and specifically that information provided in satisfaction of Listing Rule 5.12 continues to apply and has not materially changed.

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.

APPENDIX

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 (e.g., 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 (e.g., '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 (e.g., submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> No historical sampling results have been discussed within this release. Exploratory grab samples outlined in this release were taken in 2021. The grab samples are considered to be representative of mineralisation at depth due to most being collected at waste dumps at surface near historical mine shafts. Samples are considered to have been collected to typical industry standard practice for samples of this type (grab/float). Selected material that appeared visually mineralised where taken and placed into sample bags with sample numbers attached. These were sent to an accredited laboratory for analyses, more details regarding the lab and procedures will be discussed further within this table.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g., 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"> N/A – Drilling not conducted
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 	<ul style="list-style-type: none"> N/A – Drilling not conducted

Criteria	JORC Code explanation	Commentary
	<i>preferential loss/gain of fine/coarse material.</i>	
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"> • N/A – Drilling not conducted • Grab samples have been catalogued, described geologically and photographed.
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"> • N/A – No drilling has been conducted. • Duplicate grab samples have been utilised for QAQC purposes and inserted into the sample stream, 3 duplicate samples were collected of the total 13 samples reported.
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 (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the laboratory and analytical methods utilised for these samples are considered adequate. ALS Sevilla was the chosen laboratory and the methods utilised include sample weighing (WEI-21), crushing QC test (CRU-QC), pulverising QC test (PUL-QC), sample login (LOG-22), fine crushing (CRU-31), split sample with body rotary splitter (SPL-22Y), pulverise up to 250g of 85% <75um (PUL-31), 33 element four acid digestion with ICP-AES finish (ME-ICP61) and extended ore grade 4-acid with ICP-AES finish (ME-OG62h). • QAQC samples have been inserted into the sample stream, these include OREAS standards, blank material and field duplicates. • Generally, the QAQC insertion into the sample stream is considered industry best practice at the current insertion rate and adequate levels of accuracy and precision have been established.
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 	<ul style="list-style-type: none"> • N/A – No drilling has been conducted. • Data has been stored in excel spreadsheets and no adjustments other than omitting the QAQC samples has been undertaken during reporting.

Criteria	JORC Code explanation	Commentary
	data.	
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"> Grab Sample points have been located using a handheld GPS for near mine grab samples. X and Y co-ordinates have been taken in ETRS89. Elevation (Z) has been ascertained by handheld GPS and are subject to the inherent inaccuracies associated with such devices. All samples have been taken at surface and therefore a correct X and Y co-ordinate is sufficient for location 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"> N/A – No drilling has been conducted. Grab samples have been collected sporadically in a selective manner around waste dumps and are therefore not appropriate for estimation of Mineral Resources. No compositing has been applied.
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"> N/A – No drilling has been conducted. Grab samples have been collected sporadically in a selective manner around waste dumps and thus do not represent the true thickness of the deposit or orientation of mineralisation in any way.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples have been catalogued and sealed in bags with sample tickets/numbers prior to transport to ALS Sevilla, no impairment is considered to exist.
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"> Only a high-level review of the procedures and methods utilised has been undertaken by Wardell-Armstrong International. No further audits have been carried out.

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 (permiso de investigacion) for the Guajaraz project is held by is held by a Spanish subsidiary of Variscan Mines Ltd, Variscan La Mancha. Variscan La Mancha has validly fulfilled the requirements for an extension to the exploration permit whose initial 3 year term expired this month. From the expiry date to the official extension date, the title is valid. Variscan La Mancha expect to be officially granted a further 3 year extension in due course. Spanish regulations allow the mining authorities up to 3 months to examine and approve the application; this review period has commenced.
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"> Exploration and mining has occurred at the Guajaraz project in the past including an estimate of the resources by ENADMISA in 1990 which is not known to have adhered to any international reporting code (i.e. JORC, CIM etc...). Further details of this have been provided in Appendix 3 in accordance with the ASX

Criteria	JORC Code explanation	Commentary
		listing regulations.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • There are three principal geological units within the licence area: Migmatitic Complex to the North, Palaeozoic sediments in a central zone and late Granitoids to the south. The mines in these three units are morphologically analogous: deposits are of the reef type. The nature of metallisation are different, in the Migmatite complex they are composed of lead, barium, iron and graphite; in the Paleozoic central unit they're lead, zinc and silver; and in Late granitoids, predominantly copper.
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"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <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"> • N/A – No drilling has been conducted.
Data aggregation methods	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material 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"> • No data aggregation for reporting has been carried out on the grab samples.
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 (e.g., 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • The grab samples do not represent width and geometry of mineralisation as they sporadically spaced samples of mineralisation located in and around waste dumps near historical mine workings.
Diagrams	<ul style="list-style-type: none"> • <i>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</i> 	<ul style="list-style-type: none"> • The map in Figure 1 provides an overview of the regional geology and the locations of the grab samples. • Raw assay data for the 13 grab samples are summarised in Table 1.

Criteria	JORC Code explanation	Commentary
	view of drill hole collar locations and appropriate sectional views.	
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"> All grab sample results have been included in Table 1 with no omissions.
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"> At this stage of the brownfield project there are no significant exploration data considered at this time. Historical mining work at the Guajaraz Mine ceased in the mid 1980's and minimal historical exploration data is available in digital formats for processing at present.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> A geophysical survey of surface drill targets over the Buenahora license area Delivery of a pending surface drilling application covering the Buenahora license area A surface drilling campaign to test step out extensions in the vicinity of the San Jose Mine In support of the above activities, Variscan continues to develop environmental, social and governance (“ESG”) initiatives. Subsequent exploratory works which will include, but are not limited to: grab sampling, channel sampling, geological mapping and drilling.