VARISCAN MINES

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ASX Code: VAR
ACN: 003 254 395
Issued Shares: 210m
Listed Options: 29.6M
Unlisted Options: 1m

At 30 September 2020
Cash Balance: $2.23M

Directors
Dr Foo Fatt Kah
Stewart Dickson
Michael Moore
Dr Susan Vearncombe

Company Secretary
Mark Pitts

Top Shareholders
Slipstream Resources Investments Pty Ltd
Citicorp Nominees Pty Limited
Delphi Untemehmensberatung
Effective Investments Pty Ltd
SL Hisbanibal
Lightning Jack Pty Ltd
Wainidiva Pty Ltd

Top 20 Shareholders: 62.5%

Head Office
Variscan Mines Limited
Suite 8, 7 The Esplanade
Mount Pleasant WA 6153

T +61 (0)8 9316 9100
E info@variscan.com.au

www.variscan.com.au

HIGHLIGHTS

- **9km mineralised trend identified across both Buenahora exploration and Novales mining permits**
- **Step change to the Novales-Udias Project with camp scale footprint identified on trend with historic San Jose- Novales Mine; c. 10km from the world-class Reocín Mine (62Mt @ 8.7%Zn, 1% Pb)**
- **Government of Cantabria granted approval for underground drilling at the San Jose – Novales Mine**
- **3D Laser Survey of San Jose – Novales Mine completed to calculate the extent of mine workings as well as identify in-situ and extensions of mineralisation**
- **High-grade results from rock chip sampling and infill soil geochemistry indicate the south west of the Buenahora licence area of the Novales-Udias project as a high priority for future drilling**
- **Valuable historical drilling dataset expanded to now comprise 426 underground drillhole collars, for c.29,902m and 102 surface drillhole collars for c. 18,870m**
- **Significant high-grade zinc intersects from additional drillholes at Novales, such as:**
  - **4.9m @ 25.26% Zn & 4.7% Pb from 22.3m Hole ID 495;**
  - **2.8m @ 27.7% Zn & 1.32% Pb from 20m Hole ID 489;**
  - **2.85m @ 12.83% Zn & 0.04% Pb from 24.15m Hole ID 210_10N_67_55;**
  - **0.5m @ 11.65% Zn & 0.06% Pb from 25m Hole ID 210_10_350_67;**
  - **0.7m @ 11.18% Zn & 10.65% Pb from 46.3m Hole ID 209_13_70;**
  - **1.2m @ 25.55% Zn & 1.84% Pb from 64.5m Hole ID 432;**
  - **0.8m @ 35% Zn & 0.12% Pb from 46m Hole ID 428;**
- **Directors and key staff continued with reduced cash draw to support resource allocation to field work program**
- **Dr Susan Vearncombe joins Board bringing extensive technical experience and deep understanding of the Spanish zinc projects**
- **Variscan accepted as a member of the European Battery Alliance**
- **Disposal of non-core investment providing $0.48m non-dilutive cash inflow to support ongoing work programme**
- **Maiden drilling programme to test highly prospective target areas to commence shortly**

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Variscan Mines Limited ("**Variscan**" or "**the Company**") has remained active during the Quarter finalising a detailed mine survey, undertaking rock chip and soil sampling and continuing with the collation of historic drill data to build a detailed digital picture of the geology and the extent of mineralisation over the licence areas.

Managing Director and CEO of, Stewart Dickson said,

"Amid the uncertainty presented by the COVID-19 pandemic, it is pleasing to report solid progress.

Recently we have been pleased to report that we have defined a 9km mineralised trend over our licence areas. This is a major step forward. By combining multiple data points, we have been able to show the regional scale of the opportunity presented by the Novales-Udias project as well as identify an important drill target area to the south and south west of the San Jose-Novales Mine. We anticipate near mine extensions and trend continuation; this will be a key area of step-out targeting in the forthcoming drilling campaign."

OPERATIONS

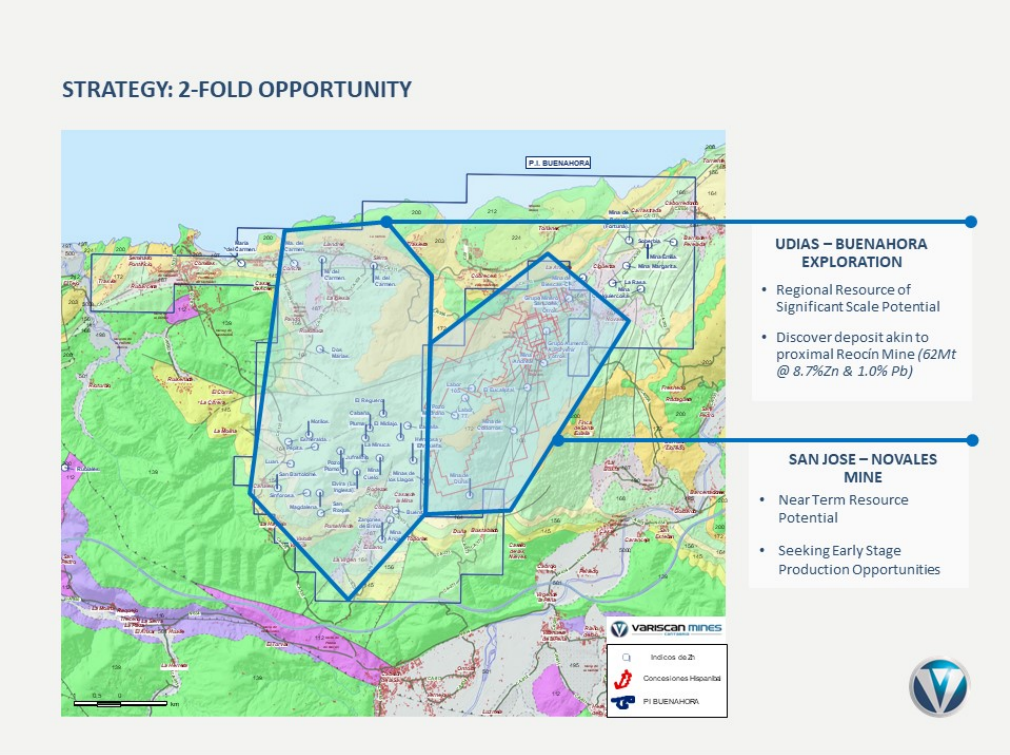
SPAIN – NOVALES-UDIAS ZINC PROJECT

Strategy

Variscan has a clear strategy to execute the 2-fold opportunity that the Novales-Udias project presents:

1. Seek near term zinc production opportunities at the San Jose–Novales Mine
2. Define a regionally significant mineral resource similar in size and grade to the former producing and proximal Reocín Mine

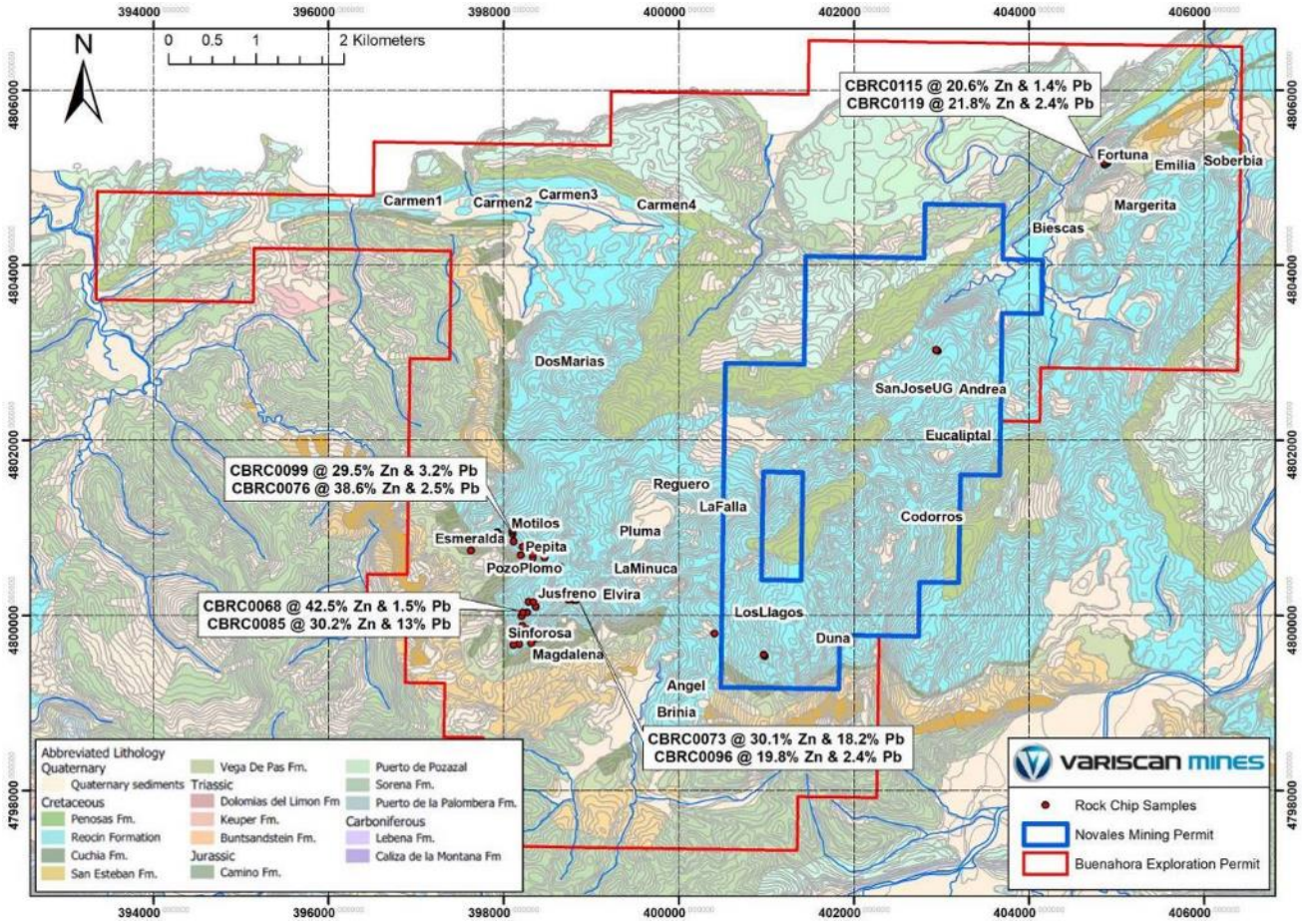
Figure 1. Novales-Udias Project Opportunities



High-Grade Rock Chip Results

The Company has been pleased to announce new high-grade rock chip sampling results conducted on prospects within the Buenahora licence area of the Novales-Udias Project. A total of 55 samples were analysed from 11 separate prospects within the Variscan exploration permit, supporting the presence of in-situ high-grade mineralisation at all but three of the exploration prospects.

Figure 2. Selected Results and Locations of Rock Chips relative to Prospects across the Buenahora and Novales Permits



Key results from the rock-chip samples from across multiple prospects within the Buenahora exploration licence area include:

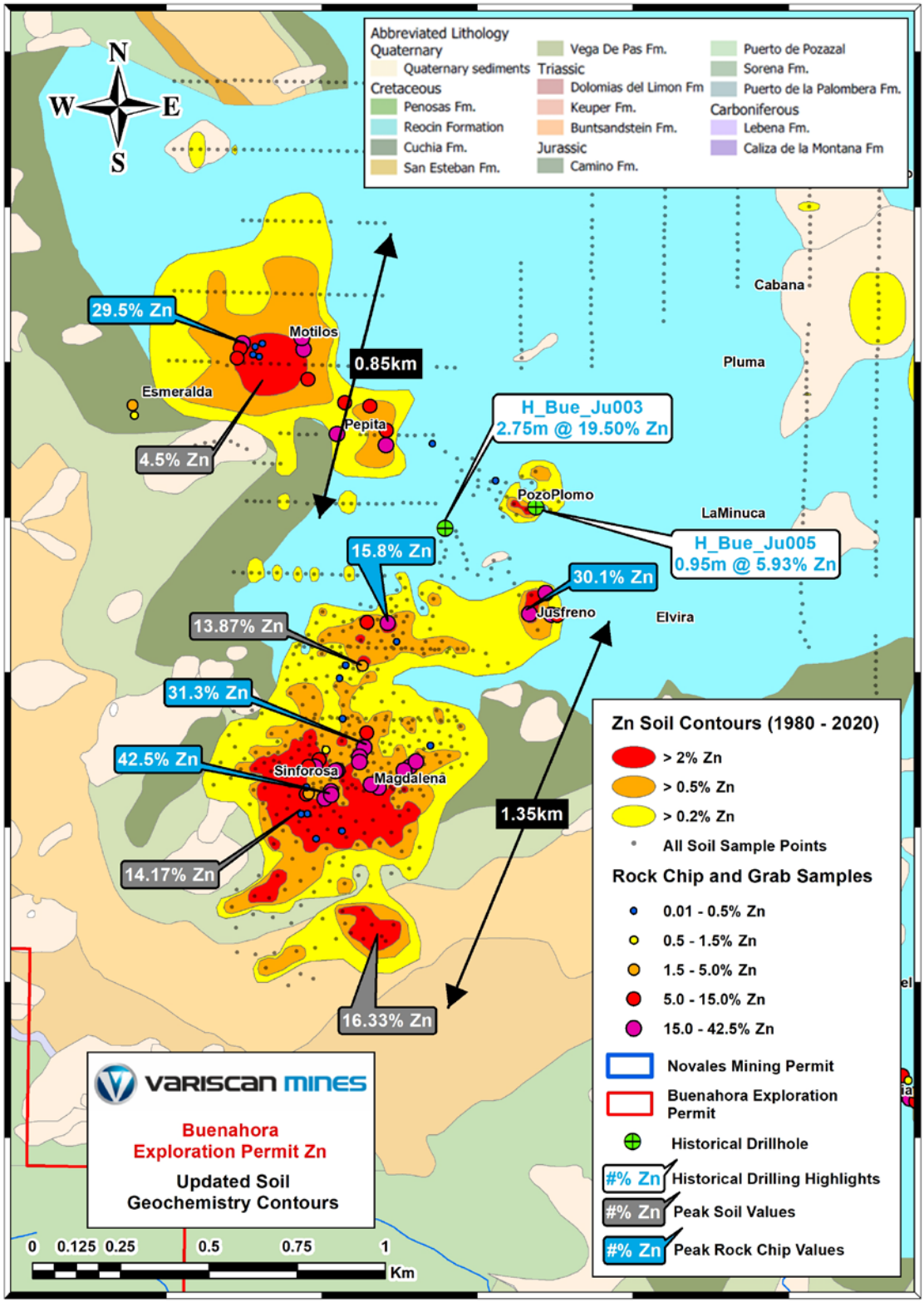
- 55 samples assayed in total, 44 of which have Zn grades above 1%
- 39 samples with +5% Zn
- 23 samples with +1% Pb
- Zn grades up to a maximum of 42.5%
- Pb grades up to a maximum of 18.2%
- New target identified – Sofia – infill location between Magdalena and Pozo Plomo
- Continuation of stratiform mineralisation at Magdalena to the NE identified by Variscan in Q4 2019

The Company conducted a selective underground and surface grab sampling programme in Q4 2019 (refer ASX Announcement 19 December 2019) which confirmed high-grade zinc occurrences, validated historic geochemistry, and highlighted new zones of mineralisation not previously sampled.

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A work programme was designed for the Novales-Udias Project with the goal of establishing the presence of zinc mineralisation at surface and then defining the most prospective areas of mineralisation on which to plan a targeted future drill campaign. To this end, mapping, rock chip sampling and in-fill soil geochemistry sampling were carried out. The work focused on progressing the exploration of the south-west of the Udias area across the Magdalena, Pozo Plomo-Jusfreno and Motilos-Pepita prospects.

Figure 3. Soil geochemistry contours with highlighted peak soil, rock chip values and historical drilling in the southwest of the Buenahora exploration permit



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The Company has now completed this reconnaissance sampling programme of 11 prospects within the Buenahora licence area of the Novales-Udias Project selected for infill soil sample and rock chip geochemistry as well as geological investigation. 55 rock chip samples were taken, and assay results have yielded high-grade zinc recordings over extensive areas throughout the project area. The prospects that were sampled include: Jusfresno, Magdalena, Fortuna (Brincia), La Rasa, Motilos, Pepita, San Jose, Sofia, Pozo Plomo, Esmeralda and Recce. Only three of the prospects tested with rock chips include samples with Zn and/or Pb grades below 1%.

High-Grade Soil Geochemistry Results

During the Quarter, new infill geochemical soil sampling was conducted on prospects within the Buenahora licence area of the Novales-Udias Project. A total of 379 samples were analysed from four separate prospects, all indicating the surficial extent of in-situ high-grade stratiform mineralisation.

The soil sampling programme conducted by Variscan has supplemented historical soil geochemistry from AZSA (1980s) and delineated anomalies surrounding prospects in the south west of the Buenahora exploration permit that have been tested previously with rock grab (refer ASX Announcement 19 December 2019) and rock chip sampling (refer ASX Announcement 28 July 2020).

Key findings from soil sampling include:

- 379 new soil samples, covering four prospective areas;
- Geochemical Zn anomaly 1.35km length x 0.65km width (+0.2% Zn);
- Sinforosa and Magdelena encompassed within single anomalous zone (+0.5% Zn);
- Peak soil result of 16.33% Zn;
- 30% of soil samples + 1% Zn;
- 18% of soil samples +2% Zn;
- Mean soil sample grade of 1.74% Zn;
- Increased definition of soil anomalies; and
- Southwest of the Buenahora licence is a very high priority area for future drilling.

Expansion of Historical Drilling Dataset for San Jose – Novales Mine

During the Quarter and afterwards, the Company continued the import and analysis of historical data. As at the date of this announcement, the historical drilling dataset has been expanded to now comprise 426 underground drillhole collars, for approximately 29,902m and 102 surface drillhole collars for approximately 18,870m

We have been pleased to report that we have defined a 9km mineralised trend over the Novales-Udias Project licence areas. By combining multiple data points, we have been able to show the regional scale of the opportunity presented by the Novales-Udias project as well as identify an important drill target area to the south and south west of the San Jose – Novales Mine. We anticipate near-mine extensions and continuation and will be a key area of step-out targeting in the forthcoming drilling campaign.

Large areas near-mine and along trend are still open and untested providing significant exploration potential and value upside.

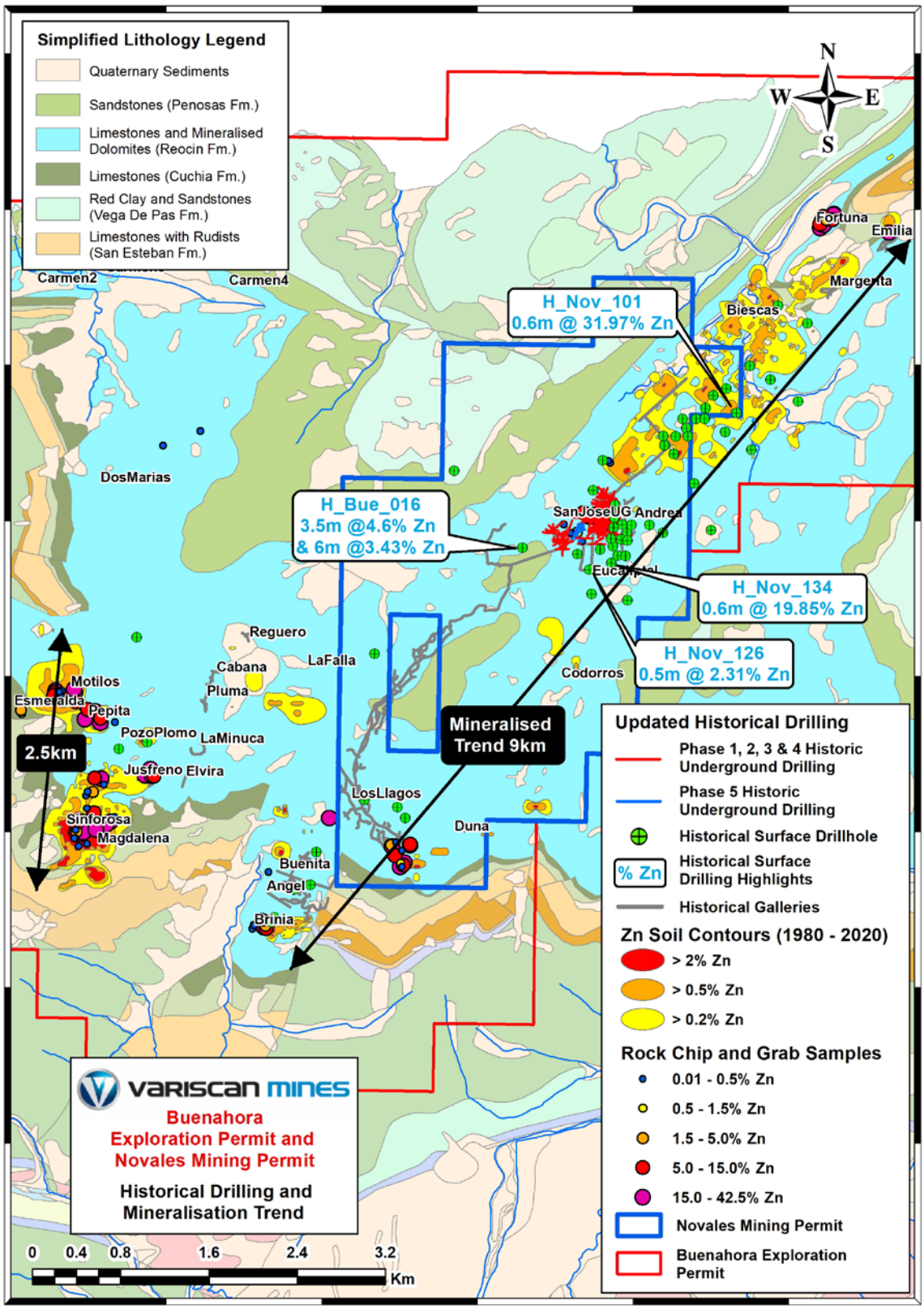
The area directly to the southwest of **the** San Jose mine (2.7km length) is devoid of exploratory work apart from sporadic historical surface drillholes and the evidence of historical underground workings as extending far as the De Dûna underground workings in the southern part of the Buenahora permit.

Towards Los Llagos the historic galleries curve to the southeast finishing at the De Dûna mine. De Dûna is close to the fold nose of the Novales anticline; the southernmost part and the eastern limb of the anticline is mostly untested for mineralisation and represents a substantive target for new discovery.

The Company is working to establish the exploited versus in-situ mineralisation in the underground areas, which is progressing with the integration of the 3D laser survey of the underground workings; and the expanded historic dataset is being used to:

- Advance modelling of the Pb and Zn mineralisation; and
- Definition of refined drill targets for an up-coming drilling programme

Figure 4. Overview of 9km mineralised and historically mined trend across the Buenahora and Novales permits.

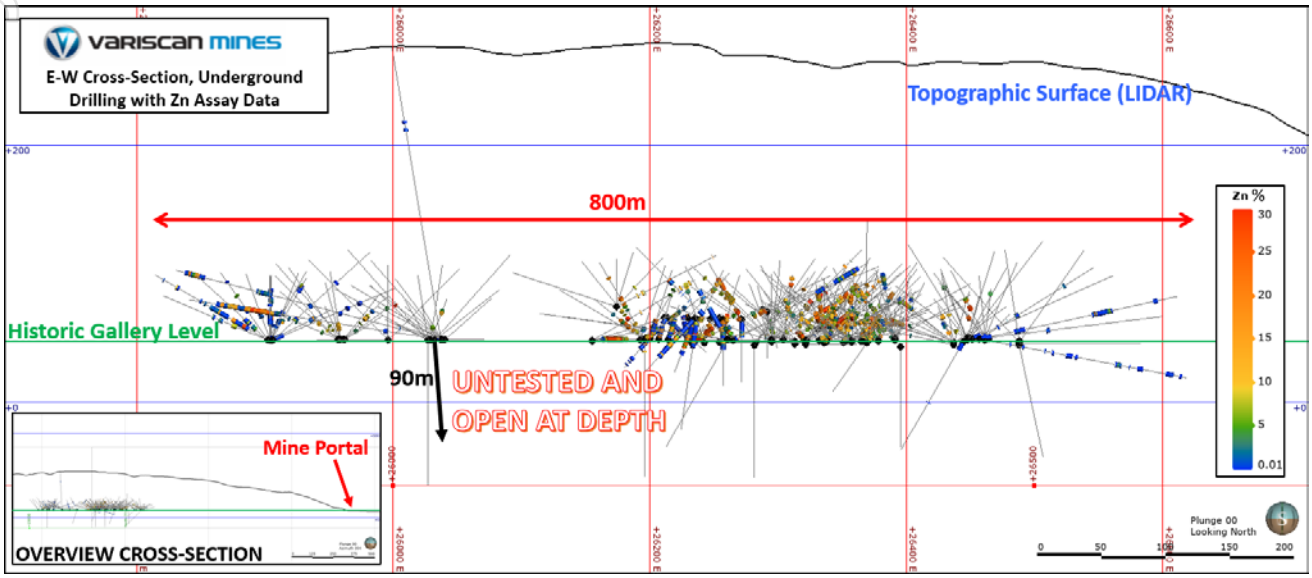


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New Areas identified at San Jose Mine from additional historic drill data

The Company compiled data from an additional 64 historic drill-holes, during the Quarter, for approximately 5,394m. There were 59 distinct intervals reporting over 2% Zn and 19 distinct intervals reporting over 10% Zn.

Figure 5. Historic underground drillholes in cross-section view, looking north, showing all drillholes accumulated to date with spatial data and Zn intersects displayed.



Note: Drill-hole collar locations for the additional 64 historic underground drill-holes (left hand side of section), previously announced 268 historic underground drill-holes on 16th March 2020 and on 3rd March 2020 (right hand side of section). Approximate trace of adits is shown in green. Note that this Novales-Andrea area has been mined in the past and to date no depletion model has been undertaken to identify mineralisation left in-situ.

In Figure 5, the expanded dataset of historic underground drill-holes with corresponding zinc grades have been projected into 3D (cross-section in Leapfrog Geo) with an approximate trace of the underground galleries which illustrates the distribution of zinc mineralisation at the Novales underground mine at the time of drilling.

The drillholes in Figure 5[1] are predominantly oriented upwards from the underground drilling bays within the historical mine workings, the holes fan drilled outwards in all directions to define mineralisation above the primary gallery elevation (47m Z). Only a small proportion of these historical holes have been oriented vertically downwards to test the potential for mineralisation below the 47m Z level, there are very few samples collected from these drillholes. However, the samples that have been assayed from these few downward oriented holes provide both high and low Pb/Zn grades; however, these are not sufficient in number to confidently determine presence of mineralisation on a large scale. Variscan believes this inadequate exploratory data supports the theory that this domain is untested and open at depth, providing a significant exploration target in an area with pre-existing underground access for further drilling.

The extent of the exploration data captured thus far indicates an approximate ~800m by ~550m area of underground drilling with significant lead and zinc mineralisation at the San Jose mine. Historical plans from Asturiana de Zinc (AZSA) suggest the full extent of the underground mining is +1km in length, further review of these plans in conjunction with historical drilling logs and the underground 3D survey will provide additional historical drilling and indicate the total lengths and widths of the drilled and mined out regions.

171 of the historic underground drill-holes reported zinc mineralisation with 679 distinct intervals reporting over 2% Zn and 365 distinct intervals reporting over 10% Zn (out of a total 1,088 intervals with +0.01% Zn).

[1] There are more drillholes in the database with local mine grid XY co-ordinates than those with ETRS89 co-ordinates, thus drillholes are plotted in 3D (Leapfrog Geo) with local XY and are transformed to ETRS89 for GIS (2D) plots at this stage until a robust transformation can be formulated.

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Summary statistics of the total count of mineralised intervals are presented by grade cut-off in Table 1 for the raw historical assay data.

Table 1. Frequency of mineralised drilling intersections distributed by cut-off grade for full database including 64 additional drillholes

Cut-Off Grade	No. of Intersections
0.01% Zn	1,088
2% Zn	679
4% Zn	589
6% Zn	510
8% Zn	427
10% Zn	365
20% Zn	118

Note: Assay intervals are reported as raw grades without compositing. Assay data are based on historic reports and drill logs and subject to verification. Drill traces (dip and azimuth) have been largely verified; however, ground truthing is still required for some holes that are not aligned with the rest of the drillhole database.

Table 2 details significant drillhole intersects above 20% Zn, where multiple samples are combined the values are provided as a sample length weighted mean. Full assay details and collar details are provided in the appendices of this announcement.

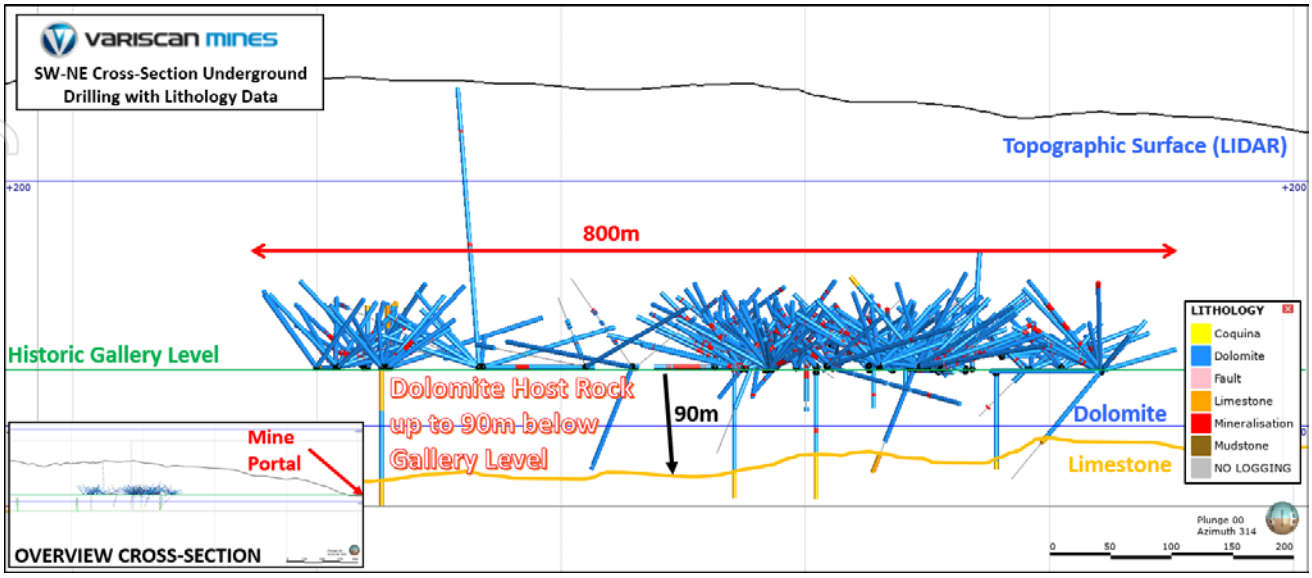
Table 2. Selected mineralised intersects from the additional 64 historic underground drillholes

Drill Hole ID	From (m)	To (m)	Interval (m)	Pb %	Zn %
177_17SW_120_53	22.00	26.20	4.20	6.44	33.86
178_240_100	29.00	50.60	21.60	5.11	22.40
451	133.10	156.50	23.40	10.02	20.69
495	22.30	27.20	4.90	4.74	25.26
489	20.00	22.80	2.80	1.32	27.70
432	64.50	65.70	1.20	1.84	25.55
428	46.00	46.80	0.80	0.12	35.00

Note: Interval widths reported are the downhole length and are unlikely to reflect true widths owing to the mineralisation style at the project. Full assay details are provided as an appendix to this announcement. The 21.60 m interval from drill-hole 178_240_100 is considered to have been drilled parallel along the mineralised body, rather than perpendicular to it. Drillhole 178_240_100 was reported in a previous press release; however, it lies within the 200 and 201 areas where these additional 64 holes have been added and thus considered relevant to the exploration potential of this section of the mine.

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Figure 6. Historic underground drillholes in cross-section view, looking north-west (314°), showing all drillholes accumulated to date with spatial data and logged downhole lithology shown.



Note that the Novales-Andrea area has been mined in the past and to date no depletion model has been undertaken to identify mineralisation left in-situ. Some drill traces (dip and azimuth) are yet to be verified and may be subject to change with ground truthing and cross referencing with historical plans.

Figure 6 shows the dolomite unit (in blue), which is the known host for almost all mineralisation (in red) for this MVT style deposit, this lithological unit is within the Reocín formation. The underground drilling presented in the cross-section in Figure 6 shows six near vertical holes dipping downward below the historic gallery level which intersect a limestone contact between 60m and 90m below the main galleries. This contact is significant as it delineates a potential boundary for mineralisation below the 47m Z elevation of the mine, it is believed that no development occurred below this level historically, therefore, the exploration potential here is considerable.

Novales Mine Survey

Variscan appointed 3DMSI Limited ("3DMSI") to conduct a 3D laser survey of the San Jose – Novales Mine. The highly experienced team from 3DMSI arrived on site and survey work commenced in late July.

The survey, led by Dr. James Jobling-Purser, was conducted using a combination of traditional precision surveying, mobile mapping for contextual 3D surveying and high-resolution laser scanning to create sealed mesh data that can be used for volumetric calculations and produce a 3D model of the mine. The volumetric results are currently being processed and expected to be released shortly and will be used to refine drill targets and test in-situ mineralisation and potential extensions to known mineralisation.

Application for Underground Drilling Approved

The Company successfully applied to conduct underground drilling at the San Jose-Novales underground mine. A modified work program (*Plan de Labores*) was filed with the Mines Department in Santander, Cantabria in northern Spain. The submission of the work programme includes drilling targets proposed by Variscan and is required in accordance with the mining licence granted over the mine and surrounding tenements.

The Company has already tendered the drilling programme and is finalising the selection of local contractors to commence the drilling campaign. Preparatory logistics and administration are well advanced to support the program.

Member of the European Battery Alliance

Variscan was accepted as a member of the European Battery Alliance (EBA250) during the Quarter. The EBA250 brings together interested stakeholders and industry participants across the European Union's battery value chain to drive a competitive and sustainable battery industry in Europe by 2025 to capture a new market worth €250Bn/year.

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There are significant potential benefits for Variscan of joining EBA250 including:

- access to European supranational and institutional funding e.g. EIT InnoEnergy
- industry insight
- value-chain connectivity

Zinc is commonly used in renewable energy through electric and hybrid cars, solar panels, and wind turbines;

Rechargeable zinc batteries are competing with lithium-ion based batteries for use in hybrid cars, electric cars, e-bikes and energy storage.

Next Steps

The Company's immediate focus is progressing with preparation for drilling at the San Jose Mine supported by the following near-term activities:

- Integration of the underground 3D laser survey will establish mined ore to allow depletion of geological models and define remaining areas of in-situ mineralisation at the San Jose-Novales Mine; and
- Refinement of drill targets to test unmined mineralisation identified
- Conduct maiden underground drilling at the San Jose-Novales Mine

Figure 7. San Jose – Novales Mine: local infrastructure is in place



Project Summary

The Novales-Udias Project is located in the Basque-Cantabrian Basin, some 30km southwest from the regional capital, Santander. The project is centred around the former producing Novales underground mine with a large surrounding area of exploration opportunities which include a number of satellite underground and surface workings and areas of zinc anomalism identified from recent and historic geochemical surveys which include anomalies up to 2km long and close to 1km wide and up to 17% Zn (refer ASX announcement dated 29 July 2019).

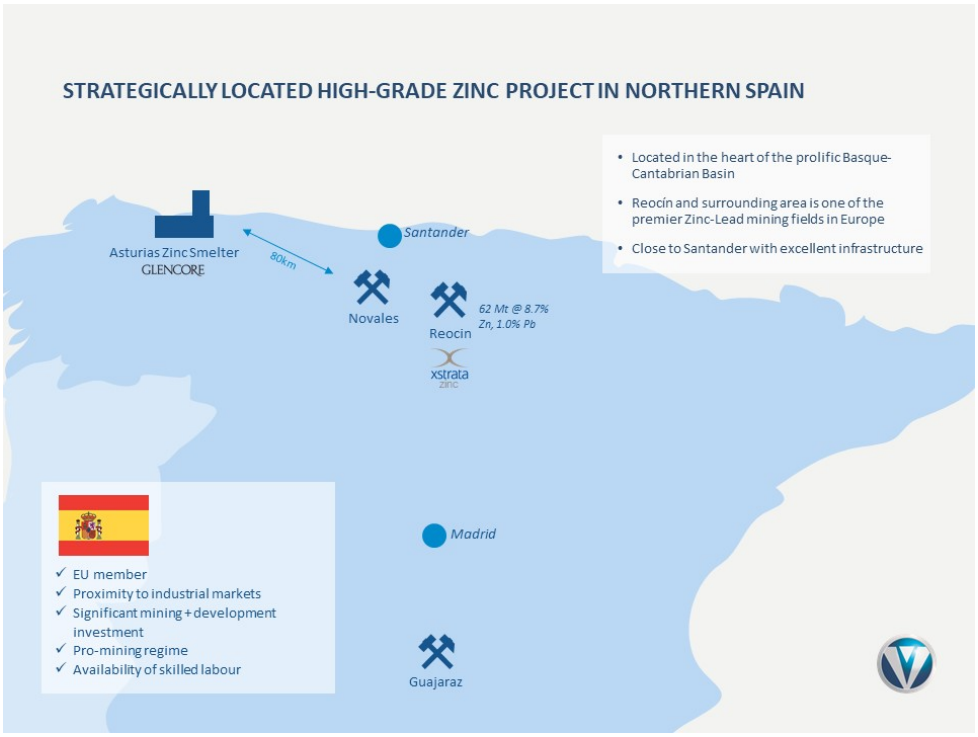
Novales-Udias Project Highlights

- Near term zinc production opportunity (subject to positive exploratory work)
- Large tenement holding of 68.3 km^2(including several granted mining tenements)

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- Regional exploration potential for another discovery analogous to Reocin (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb[2, 3])
- 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[4]
- 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[5]
- Assay results of recent targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb[6]
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

Figure 8. Novales-Udias Project is strategically located in a former mining district



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

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.

4 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.

5 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.

6 Refer to ASX Announcement of 19 December 2019

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CHILE – ROSARIO COPPER PROJECT

The Rosario Project is located approximately 120 kilometres by road east of the port city of Chanaral in the Atacama Region of northern Chile. Chile is proven mining jurisdiction and is the largest producer of copper globally. The Rosario project lies about 20 kilometres north of the El Salvador mine (owned by Codelco). It is one of the country's larger copper operations, within a region of dense mining activity (all scales) and good copper endowment.

The Rosario project comprises three granted exploitation concessions, Rosario 6, Rosario 7 and Salvadora, one granted mineral exploration licence (Abandonara) and an exploration concession under application (Rosario 101). These concessions cover two outcropping copper trends (Zones A and B) over a combined strike length of approximately 6 kilometres.

As a result of the impact of the continuing worldwide COVID-19 epidemic, no significant activites were conducted on the Rosario Copper project during the Quarter.

AUSTRALIA

The Company holds minority interests in a number of areas of eastern and central Australia. During the quarter, the Company disposed of its substantial holding in Thompson Resources Limited (ASX:TMZ), which resulted in cash inflows of approximately $0.5M.

During the quarter, Variscan also participated in the re-structuring of the joint venture arrangements over the Junction Dam tenement in South Australia. Following which Variscan holds a 0.5% net profits royalty on production from a Uranium mine on the Junction Dam tenement.

FINANCIAL & CORPORATE

CASH

Cash at bank at 30 September 2020 was $2.23 million.

INVESTMENTS

During the quarter the Company disposed of 18,100,000 shares in Thomson Resources (ASX:TMZ). These shares were disposed for net proceeds of $0.48 million.

SHARE CAPITAL

The total number of shares on issue at the end of the quarter was 210,093,551. On 7 July 2020, the Company issued to Slipstream Resources Investments the remaining 4,000,000 shares owing as consideration for the purchase of the Spanish Zinc assets.

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.

DIRECTOR AND KEY PERSONNEL

Reduction in cash compensation

In response to the COVID-19 pandemic, the Directors of the Company agreed to continue their cash compensation reduction for the whole of the Quarter.

The Company acknowledged the resignation of Mr Simon Fyfe and was delighted to advise of the appointment of Dr Susan Vearncombe as a Non-Executive Director, during the Quarterly. Dr. Vearncombe holds the following qualifications Ph.D; MSc (Hons) B.Soc.Sci, MAIG; RPGeo, Economic Geology, Volcanology, Geochemistry. She over 30 years experience in the exploration and mining sectors and has a very strong technical background that spans projects across Australasia, North and South America, Asia, Africa and Europe.

COVID-19

The global COVID-19 pandemic has prompted significant restrictions to be imposed in Spain. These policy responses evolve as the course of pandemic changes. Variscan continues to adopt a proactive and pragmatic approach and will continue to operate in full compliance with the regulations to safe-guard the health of our staff and contractors as well as the local communities. Currently we anticipate being able to conduct the planned exploration work.

OTHER

During the current Quarter the Company made payments to related parties of $58,000 represented by remuneration paid to Directors.

ENDS

Variscan Mines Limited
Stewart Dickson
Managing Director & CEO
info@variscan.com.au

This announcement has been authorised by Mr Stewart Dickson, Managing Director and CEO of Variscan Mines Limited

BACKGROUND

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

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

COMPETENT PERSONS STATEMENT

Where Company refers to exploration results and historical data previously advised to the ASX it confirms that it is not aware of any new information or data that materially affects the information included in previous announcements and all material assumptions and technical parameters disclosed in those announcements continue to apply and have not materially changed.

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LISTING OF TENEMENTS HELD AT 30 SEPTEMBER 2020

Tenement	Tenement No.	Interest	Joint Venture Details
SPAIN – Note 5			
Cantabria			
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-demasía a	EC5374	100%	
Es	EC8049	100%	
Dudosa	EC8165	100%	
Cargadoiro	EC11589	100%	
Tres amigos-demasía a	EC11594	100%	
Flor del pueblo	EC12942	100%	
Torpeza-demasía a	EC12952	100%	
Torpeza-3ª demasía a	EC13079	100%	
Torpeza-2ª demasía a	EC13080	100%	
Flor del pueblo-demasía a	EC13154	100%	
Dudosa-demasía a	EC13170	100%	
Andrea-3ª demasía a	EC13175	100%	
Andrea-2ª demasía a	EC13176	100%	
Cargadoiro-demasía a	EC13260	100%	
Ampliación a Matilde	EC13641	100%	
Aumentada	EC14238	100%	
Campitos	EC14554	100%	
Campitos-demasía a	EC14640	100%	
Carmenchu	EC14945	100%	
Amelita	EC14949	100%	
Eloísa	EC14947	100%	
Ampliación a Matilde-demasía a	EC14948	100%	
Cargadoiro 2	EC14954	100%	
Amelita-demasía a	EC14979	100%	
Carmenchu-demasía a	EC14980	100%	
Eloísa-demasía a	EC14981	100%	
Carmenchu-2ª demasía a	EC14982	100%	
6º Aumento a porvenir	EC15672	100%	
Ampliación a Matilde-demasía a	EC13641-10	100%	
Campitos-segunda demasía a	EC14554-20	100%	
Cargadoiro 2- demasía a	EC14954-10	100%	
Carmenchu-tercera demasía a	EC14980-30	100%	
6º Aumento a porvenir-demasía a	EC15672-10	100%	
Torpeza-tercera demasía a	EC2557-30	100%	

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Tenement	Tenement No.	Interest	Joint Venture Details
Toledo			
Guajaraz	IP 4.203	100%	
CHILE			
Rosario			
Rosario 6 1-40	0310259624	10.4%	Note 4
Rosario 7 1-60	0310259632	10.4%	Note 4
Rosario 101	03102N2229	10.4%	Note 4
Salvadora	0310231355	10.4%	Note 4
Abandonara	0310248487	10.4%	Note 4
NEW SOUTH WALES			
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
SOUTH AUSTRALIA			
Junction Dam	EL 5682	0%	Marmota acquired 100% ownership. See Note 2
Callabonna	EL 5360	49%	Red Metal 51%, can earn 70%
FRANCE			
St Pierre	PER	100%	
Beaulieu	PER	100%	

EL = Exploration Licence

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 licences 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 licences. 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.

Note 4: On 1 July 2019 the Company announced it had successfully renegotiated the terms of the existing Option Agreement to provide the Company with a participating interest of 10.4%. The Company can earn up to 90% of the project through payment of amounts totaling approximately US$2.25 milllion.

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Appendix 5B

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

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Name of entity	
Variscan Mines Limited	
ABN	**Quarter ended ("current quarter")**
16 003 254 395	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(69)	(69)
	(e) administration and corporate costs	(35)	(35)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	3
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)		
1.9	**Net cash from / (used in) operating activities**	**(101)**	**(101)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation	(288)	(288)
	(e) investments		
	(f) other non-current assets		

+ See chapter 19 of the ASX Listing Rules for defined terms.

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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	476	476
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**188**	**188**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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)		
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,146	2,146
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(101)	(101)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	188	188
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(4)	(4)
4.6	**Cash and cash equivalents at end of period**	**2,229**	**2,229**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	979	646
5.2	Call deposits	1,250	1,500
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,229**	**2,146**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	41
6.2	Aggregate amount of payments to related parties and their associates included in item 2	17

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.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
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.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(101)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(288)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(389)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,229
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,229
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	5.73

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.

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: Not applicable

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: Not applicable

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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: Not applicable	

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 2020.....

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.

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