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ASX Announcement | 5 August 2025
Variscan Mines Limited (ASX:VAR)

SUCCESSFUL PLACEMENT TO FAST TRACK GROWTH STRATEGY ADVANCING HIGH GRADE ZINC ASSETS IN SPAIN LOW RISK EARN-IN TO PROSPECTIVE ZINC ASSETS IN IRELAND

Highlights

- Two-tranche Placement to institutional and sophisticated investors for A$2.5 million in cash before costs
- Placement well supported by existing significant shareholders and introduces a number of new investors to the register
- Funds will be used for:
  - Resource extension, definition and discovery drilling in Udias Mine at high grade zinc Novales-Udias project in Cantabria, northern Spain
  - Complete and publish Mine ReStart (Scoping) Study
  - Updated Mineral Resource Estimate
  - Low risk Earn-In to highly prospective Zinc opportunities in Ireland
  - Corporate and operational working capital
- Tranche 2 of the Placement and Earn-in subject to shareholder approval at forthcoming General Meetings

Variscan Mines Limited (ASX:VAR) ("Variscan" or "the Company") is pleased to announce it has received firm commitments for a two tranche placement of new shares to investors to raise approximately A$2.5 million in cash before costs ("Placement").

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

"We are very pleased to receive commitments for a $2.5 million placement from high quality sophisticated investors which will enable Variscan to progress. This is further endorsement of our Explorer-Producer Strategy delivering our high-quality zinc development projects in Spain and our growth mindset.

We look forward to using the funds raised to continue to principally advance the Novales-Udias Project towards re-starting production. Key deliverables are drilling results, an updated Mineral Resource Estimate and the Mine Re-Start Study. These are all value accretive development milestones at one of the highest-grade, development stage zinc deposits in Europe, which is continuing to make good progress towards re-starting production.

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We are also very pleased to have secured additional highly prospective, *zinc* projects in Ireland, leveraging our zinc experience, especially carbonate-hosted lead–zinc deposits and our European footprint. These projects provide exploration upside and increase the Company's portfolio of de-risked zinc assets as we build a zinc and critical minerals focused company.

The Board welcomes the support we have received from our shareholders and welcomes new shareholders to the Company."

Placement Overview

Variscan has received firm commitments from investors for a two-tranche Placement of A$2.5 million at a price of A$0.0050 per share ("Placement Price"). The Placement Price represents a 28.6% discount to the last closing price of Variscan shares on 31 July 2025 and a 27.2% discount to the prior 30-trading day volume weighted average trading price.

The Placement comprises:

- the unconditional placement to raise a total of ~A$587,143 million through the issue of 117,428,600 New Shares utilising available placement capacity under ASX Listing Rule 7.1 ("Tranche 1"); and
- the conditional placement to raise ~A$1,912,857 through the issue of 382,571,400 New Shares subject to shareholder approval that will be sought at a General Meeting of the Company to be held in September 2025 ("Tranche 2").

Tranche 1 of the Placement is expected to settle on 12 August 2025 with New Shares to be issued on or around 13 August 2025. Subject to shareholder approval, Tranche 2 of the Placement is expected to settle shortly after the General Meeting is held in September 2025.

The Placement also includes the issue, subject to obtaining shareholder approval, of free attaching options on the basis of one option for every two New Shares applied for and issued (being a total of 250,000,000 options) with an exercise price of $0.008 and expiring 3 years from the date of issue ("Placement Options").

Alpine Capital Pty Limited ("Alpine Capital") acted as Sole Lead Manager and Sole Bookrunner to the Placement. Subject to receipt of shareholder approval, as part of its fee for services, the Company will issue Alpine Capital with 1 Option for every 4 shares issued under the Placement on the same terms as the Placement Options.

The funds received by the Company under the Placement are to be utilized for the following purposes:

- Resource extension, definition and discovery drilling at the Udias Mine;
- Complete and publish Mine ReStart (Scoping) Study;
- Low risk Earn-In to highly prospective Zinc opportunities in Ireland (subject to receipt of shareholder approval for the earn-in, refer below for further information);
- Corporate and operational working capital; and
- Costs of the Placement.

An Appendix 3B follows for immediate release.

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Low Risk Earn-In to highly prospective Zinc opportunities in Ireland

Variscan has entered into a binding Heads of Agreement with MDF Global Limited ("MDF" or "Mine Discovery Fund"), Zinc GroupCo Pty Ltd ("ZincCo") (together, the "Vendors") and BMEx Pty Ltd ("BMEx") in relation to a proposed earn in and joint venture with BMEx which holds the Midlands and Waterford Irish Zinc Assets pursuant to which the Company will have the right to earn up to a 100% interest in stages, over time (the "Earn-In").

Earn-In Projects Overview: Ireland is a proven location for significant zinc deposits

The Midlands and Waterford Irish Zinc Assets held by BMEx (or its wholly owned subsidiary) are located in Ireland, an established mining jurisdiction ranked number 1 globally in the Fraser Institute's Policy Perception Index in 2024.[1]

Ireland is a proven location for hosting world-class carbonate-hosted zinc deposits. For example, Boliden's Tara Mine is one of Europe's largest zinc mines. Since mining began in 1977, more than 85 million tonnes of ore have been extracted from the Tara Mine. Other international and mid-tier mining companies operating in Ireland include, Teck, Glencore, South32 and historically Lundin and Vedanta have been active (see Figure 1).

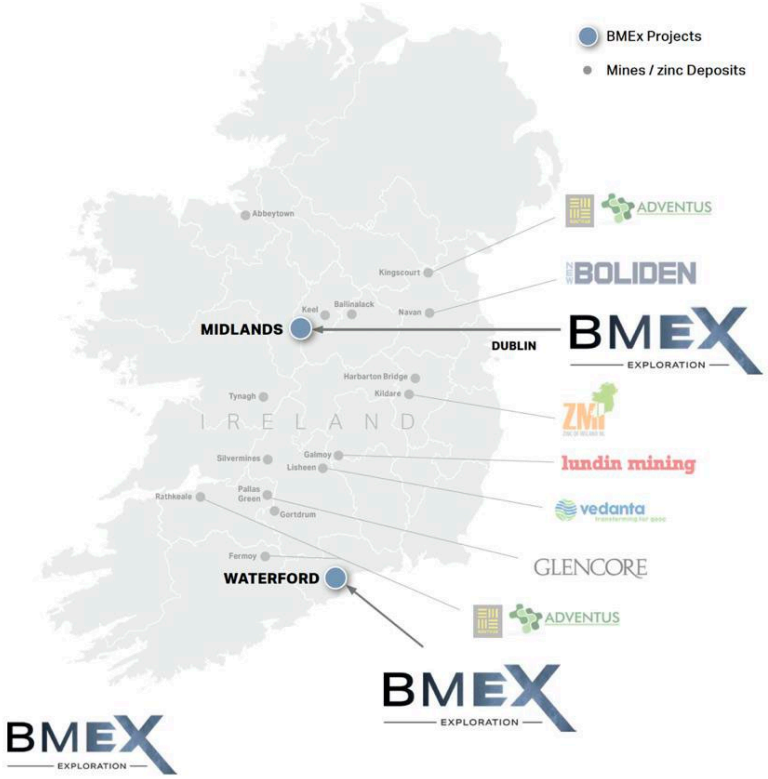

Figure 1. Location of Waterford and Midlands Projects and other zinc projects and mines in Ireland

[1] Available at: https://www.fraserinstitute.org/sites/default/files/2025-07/annual-survey-of-mining-companies-2024.pdf

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Additional geographical benefits include access to established infrastructure with deep, year-round ports able to transport concentrates to European zinc smelters (see Figure 2). The International Lead and Zinc Study Group regard Europe as one of the most important continents for refined zinc production[1] led by major firms including Glencore, Trafigura and Boliden.



Figure 2. European Zinc smelter locations

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Midlands Project

The Midlands Project is located in the Irish Midland Zinc Belt, County of Longford and consists of two licences over 58 sq km^2 in aggregate. The licences are valid to October 2029.

Title ID	Date Granted	Expiry Date	Holder Name	Area (km^2)	County	Exploration permitted for
PL 1802	02.10.2017	01.10.2029	BMEx Pty Ltd	26	Longford	Barytes, base metals, gold, silver
PL1803	02.10.2017	01.10.2029	BMEx Pty Ltd	32	Longford	Barytes, base metals, gold, silver

Table 1. Tenure details for the Midlands Project

Waterford Project

The Waterford Project is located in the County of Waterford and comprises six prospecting licences of 163km^2 in aggregate, expiring November 2028.

PL	Date Granted	Expiry date	Holder Name	Area (km^2)	County	Exploration permitted for
1555	7.11.2016	06.11.2028	Adventus Exploration Limited, Adventus Zinc Ireland Limited, Foresight Exploration Limited	26	Waterford	Barytes, base metals, silver
1556	7.11.2016	06.11.2028	Adventus Exploration Limited, Adventus Zinc Ireland Limited, Foresight Exploration Limited	27	Waterford	Barytes, base metals, silver
1966	7.11.2016	06.11.2028	Adventus Exploration Limited, Adventus Zinc Ireland Limited, Foresight Exploration Limited	29	Waterford	Barytes, base metals, silver
1967	7.11.2016	06.11.2028	Adventus Exploration Limited, Adventus Zinc Ireland Limited, Foresight Exploration Limited	26	Waterford	Barytes, base metals, silver
3713	7.11.2016	06.11.2028	Adventus Exploration Limited, Adventus Zinc Ireland Limited, Foresight Exploration Limited	28	Waterford	Barytes, base metals, silver
3715	7.11.2016	06.11.2028	Adventus Exploration Limited, Adventus Zinc Ireland Limited, Foresight Exploration Limited	28	Waterford	Barytes, base metals, silver

Table 2. Tenure details for the Waterford Project

Further details on the Irish Zinc Assets will be disclosed in the Notice of Meeting to be circulated to Shareholders in due course.

Exploration Plan for Irish Zinc Assets

As part of the stage 1 earn-in the Company will be undertaking a thorough review of available data. The joint venture partners will consider a focused soils program to assist in preparing for a targeted drill program for both areas. It is intended that (subject to shareholder approval of the Earn-in) part of the Placement funds will fund the completion of Stage 1 of the earn-in.

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Earn-in Agreement Terms

The Vendors have granted Variscan an exclusive right to earn up to 60% of the legal, beneficial and registerable interest in BMEx, the company which ultimately holds the Waterford and Midlands Irish Zinc Assets ("the Project") for a total of A$3,300,000 of expenditure in BMEx over 3 years from execution of an Earn in and Joint Venture Agreement (the "JV Agreement"). The Company will seek shareholder approval for this transaction under Listing Rule 10.1.3, as prior to completion of the Placement, ZincCo holds a 22.9% interest in the Company.

The expenditure to be spent by Variscan to earn 60% of the legal, beneficial and registerable interest in BMEx is as follows:

- Stage1: $800,000 for a 30% interest within 12 months of signing the JV Agreement;[2]
- Stage 2: $1,000,000 for a 45% interest within 24 months of signing the JV Agreement; and
- Stage 3: $1,500,000 for a 60% interest within 36 months of signing the JV Agreement.

Varsican will, in addition, have the first right, subject to meeting all of the proposed earn in expenditures over 3 years, to acquire the remaining 40% interest in 2 stages (an earn-in to 80% and then 100%) in the Project on terms to be agreed, with all parties acting reasonably.

Variscan can elect at any stage not to continue with making the earn in payments. Should Variscan elect to terminate the JV Agreement each party will be required to contribute to ongoing expenditure, according to its interest in the Project, or dilute according to a pro-rata dilution formula considered standard for joint venture agreements of this nature.

Additional consideration is issuable by Variscan as follows:

- the issue of 100,000,000 unlisted options to acquire new Shares exercisable at $0.005 on or before 12 months from the date of execution of the JV Agreement (which would raise $500,000 for the Company upon exercise of the options) ("Vendors' Options"). The issue of the Vendors' Options will be subject to receipt of shareholder approval; and
- if Variscan meets the proposed earn in expenditure of $3,300,000, obtaining an interest of 60% in the Project, it will have a further obligation to issue $500,000 worth of new Shares to the Vendors at a deemed price equivalent to the 30-day VWAP up to and including the day the expenditure is met ("Vendors' Shares"). The issue of the Vendors' Shares will be subject to receipt of shareholder approval at that time.

In accordance with Listing Rule 10.7, the Vendors' Options and Vendors' Shares in which ZincCo will be interested in will be subject to mandatory ASX escrow for 12 months commencing on the date on which the securities are issued.

[2] Including a $100,000 exclusivity and commitment fee (which will be offset against the payment required under the Stage 1 Earn In) is payable in cash to BMEx as 50% on completion of Tranche 1 and the balancing 50% on completion of Tranche 2 of the Placement. This payment represents reimbursement of part of the funds expended by BMEx in developing the Irish Zinc Assets since September 2024.

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Transaction Rationale & Benefit to Variscan Shareholders

The Proposed Earn-In will enable the Company to:

- deepen our zinc focus which is complementary to its existing asset base;
- expand our business, leveraging our competency of exploring and developing carbonate-hosted lead–zinc deposits in Europe;
- leverage the technical expertise and corporate development capabilities of Mine Discovery Fund with Varsican being granted the first right of refusal on zinc projects generated by MDF;
- create a stronger asset portfolio to attract capital for exploration and development;
- conduct additional exploration activity in Ireland to supplement the development workplan for the zinc assets in Spain; and
- provide some diversification of location yet retain a European geographical focus; Ireland is a proven world class zinc jurisdiction with low sovereign risk.

Conditions Precedent for Completion of the Earn-In

Conditions precedent to execution of the JV Agreement are as follows:

- Variscan shareholders approving the Proposed Transaction pursuant to Listing Rule 10.1;
- completion of legal and technical due diligence by VAR to its sole and absolute satisfaction;
- Variscan raising sufficient funds in order to satisfy the Stage 1 Earn-In expenditure;
- ZincCo subscribing for $250,000 worth of New Shares at the Placement price (such subscription being subject to shareholder approval of the Placement and the Earn-In); and
- execution of all definitive documentation required to complete the Earn-In.

The conditions precedent must be satisfied by 31 October 2025 or such later date as agreed between the parties. The JV Agreement will be executed no later than 5 business days after satisfaction of the last of the conditions precedent.

The Company has received confirmation from ASX that Chapter 11 of the Listing Rules does not apply to the Earn-In.

In accordance with Listing Rule 10.1, the Earn Is subject to shareholder approval which will be sought at a General Meeting to held in or around October 2025.

Details of the Vendors and BMEx

MDF Global is a Queensland-based geological advisory and investment group.

ZincCo is an Australian-based natural resources focussed investment group, established by mining industry professionals together with commodity traders. Its focus is to pursue the exploration of new highly qualified zinc exploration assets and support near-term production opportunities in zinc mining either through new discoveries or restart of historically low capex, high grade zinc operations.

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BMEx is a Queensland-based company which 100% owns the Irish Zinc Assets directly or through wholly owned subsidiaries.

Conditional on the approval of the Earn-In, MDF Global (on behalf of the Vendors) may nominate a representative to the Board of VAR for an initial term of 18 months to support transition and strategic development of the Project.

Next Steps & Way Forward

The San Jose/Novales-Udías Project continues to progress, with the following demonstrable milestones expected:

- Results from metallurgical test work for inclusion in the Mine Re-Start (Scoping) Study
- Results from geotechnical test work for inclusion in the Mine Re-Start (Scoping) Study
- Further assay results from underground drilling at the Udías Mine
- Publication of the Mine Re-Start (Scoping) Study



Figure 3. Summary of events advancing to near-term production & growth through exploration

ENDS

To ask questions directly to the Variscan management team and access media content, visit our interactive investor website at: https://variscan.com.au/s/aa7e61

This ASX announcement has been approved by the Board and authorised for issue by Mr Stewart Dickson, Managing Director and CEO, Variscan Mines Limited

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For further information, please contact:
Variscan Mines Limited (ASX:VAR)
Stewart Dickson
Managing Director & CEO
E: stewart.dickson@variscan.com.au
T: +44 (0) 7799 694195

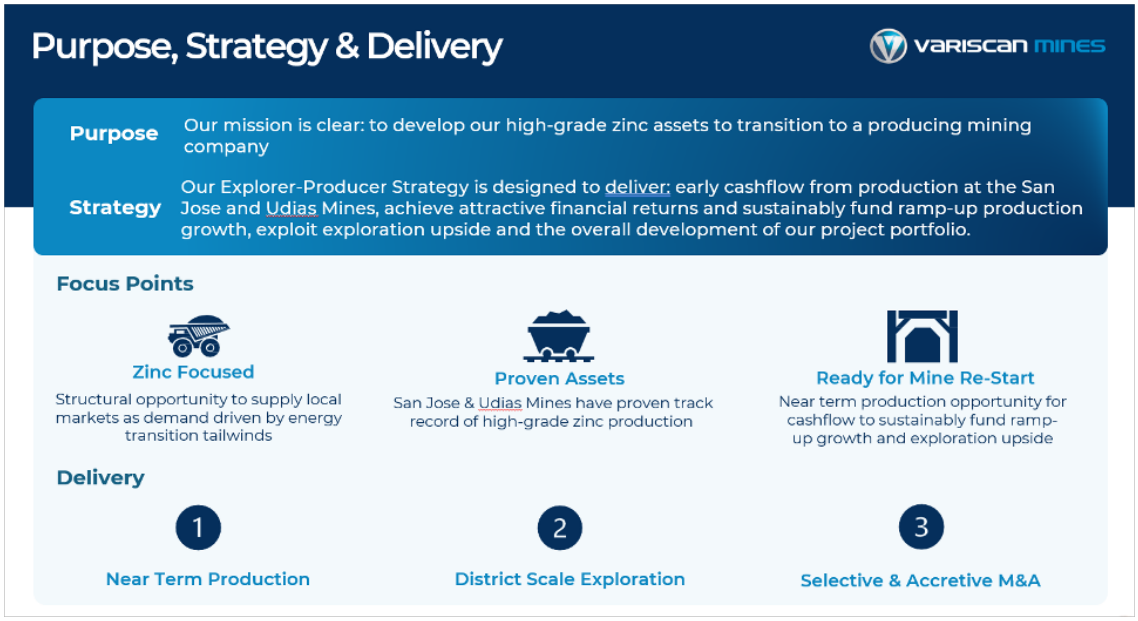
Media & Investor Enquiries
Jane Morgan Management
Chloe Hayes / Jane Morgan
E: chloe@janemorganmanagement.com.au / jm@janemorganmanagement.com.au
P: + 61 (0) 458619317/ +61 (0) 405 555 618

We encourage all investors to share questions on this announcement via our interactive investor hub: https://variscan.com.au/announcements

Or scan the QR code.

Subscribe to our news alert service: https://variscan.com.au/s/8d46e7

About Variscan Mines Limited (ASX:VAR)
To learn more, please visit: www.variscan.com.au



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Novales-Udias 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 San Jose 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. Variscan has delineated a significant 9km mineralised trend and a sub-parallel 3km trend from contemporary and historical data across both the Buenahora exploration and Novales mining permits.

The San Jose Mine is nearby (~9km) to the world class Reocin Mine which is the largest known strata-bound carbonate-hosted Zn-Pb deposit in Spain[1] and one of the world's richest MVT deposits[2]. Further it is within trucking distance (~80km) from the San Juan de Nieva zinc smelter operated by Asturiana de Zinc (100% owned by Glencore). Significantly, the Novales-Udias Project includes a number of granted mining tenements[3].

Novales-Udias Project Highlights

- Near term zinc production opportunity (subject to positive exploratory & development work)
- Updated JORC compliant Mineral Resource Estimate of 3.4Mt @ 7.6% Zn, 0.9 %Pb released in December 2024[4]
- Expanded tenement holding of 111 km^2 (including a number of granted mining tenements)
- Regional exploration potential for another discovery analogous to Reocin Mine (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb[5] [6])
- Trucking distance (~ 80km) from the San Juan de Nieva smelter (Glencore owned)
- Classic MVT carbonate hosted Zn-Pb district
- Historic production of high-grade zinc from San Jose Mine; average grade reported as ~7% Zn[7] with super high grade 'bolsas' (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn[8]
- Maiden drilling at Udias Mine
- Simple mineralogy of sphalerite – galena – calamine
- Mineralisation is strata-bound, epigenetic, lenticular and sub-horizontal
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

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

[2] Leach, D.L., Sangster, D.F., Kelley, K.D., Large, R.R., Garven, G., Allen, C.R., Gutzner, J., Walters, S., (2005) 'Sediment-hosted lead-zinc deposits: a global perspective'. Econ. Geol. 100th Anniversary Special Paper 561 607

[3] Refer to ASX announcement of 29 July 2019

[4] Refer to ASX announcement of 8 December 2024

[5] 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.

[6] 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.

[7] These figures have been taken from historical production data from the School of Mines in Torrelavega historical archives.

[8] Reports of the super high-grade mineralisation are supported with historical production data from the School of Mines in Torrelavega historical archives. (Refer ASX release 29 July 2019)

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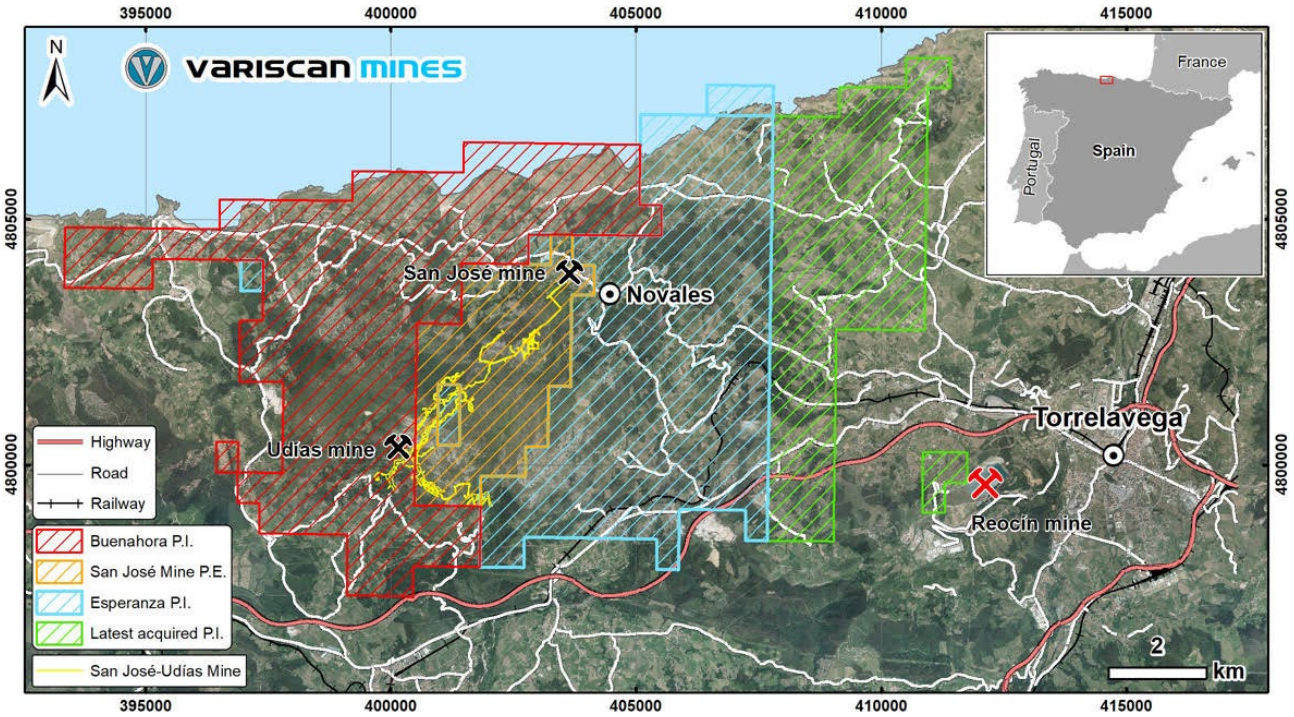

Figure 4. Map of Novales-Udias Project Licence Areas

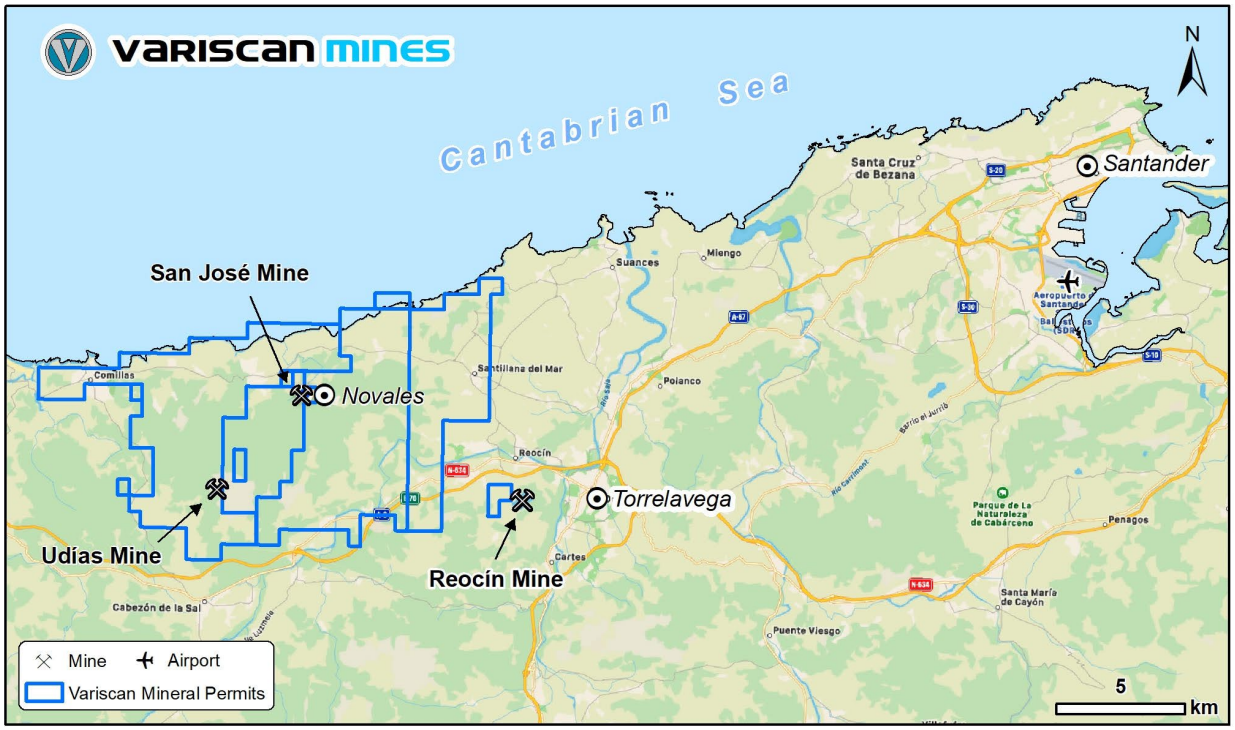

Figure 5. Map of Novales-Udias Project Licence Areas and local infrastructure

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Mineral Resource Estimate for Novales-Udias Project

JORC Mineral Resource Estimate for San Jose Mine and north-eastern Udías by deposit and classification reported above at 2% Zn+Pb cut-off (ASX announcement 9 December 2024)

Deposit	Mineral Resource Classification	Tonnage (t)	Grade			Contained Metal		
			Zinc (%)	Lead (%)	Zinc + Lead (%)	Zinc (t)	Lead (t)	Zinc + Lead (t)
San Jose	Measured	480,254	9.18	1.80	10.98	44,064	8,654	52,718
	Indicated	641,881	8.69	1.50	10.19	55,782	9,607	65,389
	Measured & Indicated	*1,122,135*	*8.90*	*1.63*	*10.53*	*99,845*	*18,262*	*118,107*
	Inferred	615,304	8.15	1.03	9.18	50,121	6,356	56,477
	Sub-total	*1,737,439*	*8.63*	*1.42*	*10.05*	*149,966*	*24,618*	*174,584*
San Jose (NE)	Inferred	931,608	5.72	0.20	5.92	53,306	1,860	55,165
Udías* (NE)	Inferred	709,533	7.60	0.47	8.07	53,915	3,316	57,232
Total	Measured	480,254	9.18	1.80	10.98	44,064	8,654	52,718
	Indicated	641,881	8.69	1.50	10.19	55,782	9,607	65,389
	Measured & Indicated	*1,122,135*	*8.90*	*1.63*	*10.53*	*99,845*	*18,262*	*118,107*
	Inferred	2,256,445	6.97	0.51	7.48	157,342	11,532	168,874
	Total	**3,378,580**	**7.61**	**0.88**	**8.49**	**257,187**	**29,794**	**286,981**

Competent Person Statement

The information in this document that relates to Exploration Results and Mineral Resource Estimates for the Novales-Udias 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 14 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 information in this document that relates to previous exploration results was prepared pre-2012 JORC code. It is the opinion of Variscan that the exploration data is reliable. Although some of the data is incomplete, nothing has come to the attention of Variscan that causes it to question the accuracy or reliability of the historic exploration.

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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.