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ASX Announcement | 11 May 2026

Variscan Mines Limited (ASX:VAR)

SUCCESSFUL PLACEMENT OF $5M TO FUND DRILLING PROGRAM AT HIGH GRADE SPANISH ZINC ASSETS

Highlights

- **Two-tranche Placement to institutional and sophisticated investors to raise A$5 million in cash before costs**
- **Placement well supported by the Board and existing significant shareholders**
- **Funds will be used for:**
  - **Targeted drilling across the Novales-Udias Project to expand the mineral resource base and unlock future scale potential**
  - **Completion of metallurgical and engineering workstreams**
  - **Working capital and costs of the offer**
- **Tranche 2 of the Placement will be subject to shareholder approval at a forthcoming General Meeting**
- **High-conviction investment specialist Powerhouse Ventures (ASX: PVL) was a Joint Lead Manager through its subsidiary, Powerhouse Advisory Australia Pty Ltd, and its Funds Management division was a cornerstone investor.**

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 A$5 million in cash before costs ("**Placement**").

Subject to shareholder approval, directors have indicated their intention to participate in the Placement with a substantive contribution from Tom Kent of $0.5 million.

Variscan's Chairman, Tony Wehby, said:

"We are very pleased with the support received from high quality institutional and sophisticated investors which will enable Variscan to undertake meaningful exploration at our high-quality zinc development projects in Spain.

We look forward to using the funds raised to continue to advance the Novales-Udias Project towards re-starting production. Key deliverables will be drilling results and an updated Mineral Resource Estimate.

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

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Placement Overview

Variscan has received firm commitments from investors for a two-tranche Placement of A$5 million at a price of A$0.004 per share ("**Placement Price**"). The Placement Price represents a 42.9% discount to the last closing price of Variscan shares on 6 May 2026 and a 42% discount to the prior 15-trading day volume weighted average trading price.

The Placement comprises:

- the unconditional placement to raise a total of ~A$0.69 million through the issue of 174,064,708 New Shares utilising available placement capacity under ASX Listing Rule 7.1 ("**Tranche 1**"); and
- the conditional placement to raise ~A$4.31 million through the issue of 1,075,935,292 New Shares subject to shareholder approval that will be sought at a General Meeting of the Company to be held in July 2026 ("**Tranche 2**").

Tranche 1 of the Placement is expected to settle on or about 18 May 2026 with New Shares to be issued on or around 19 May 2026. Subject to shareholder approval, Tranche 2 of the Placement is expected to settle shortly after the General Meeting is held in July 2026.

Powerhouse Advisory Australia Pty Ltd ("**PVL Advisory**") and Alpine Capital Pty Limited ("**Alpine Capital**") acted as Joint Lead Managers. Subject to receipt of shareholder approval, as part of its fee for services, the Company will issue the Joint Lead Managers with 1 Option for every 3 shares issued under the Placement. The Options will be exercisable by payment of $0.008 on or before 29 September 2028.

In addition, Powerhouse Ventures Limited's ("PVL") Funds Management division was a cornerstone investor to the Placement.

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

- Targeted drilling across the Novales-Udias Project to expand the mineral resource base and unlock future scale potential;
- Completion of metallurgical and engineering workstreams;
- Corporate and operational working capital; and
- Costs of the Placement.

An Appendix 3B providing more detail follows for immediate release.

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 Tony Wehby, Chairman, Variscan Mines Limited

For further information, please contact:

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Variscan Mines Limited (ASX:VAR)
Tony Wehby
Chairman
E: info@variscan.com.au

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)

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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].

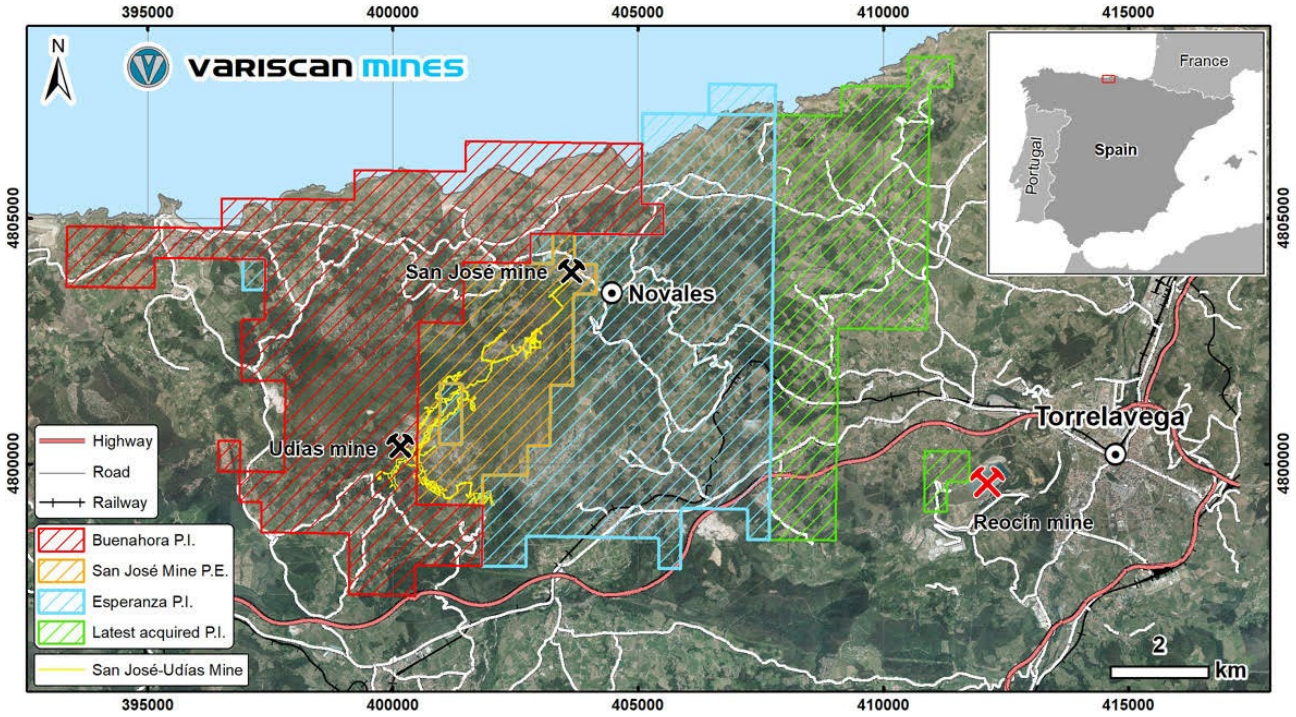


Figure 1. Map of Novales-Udias Project Licence Areas

[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

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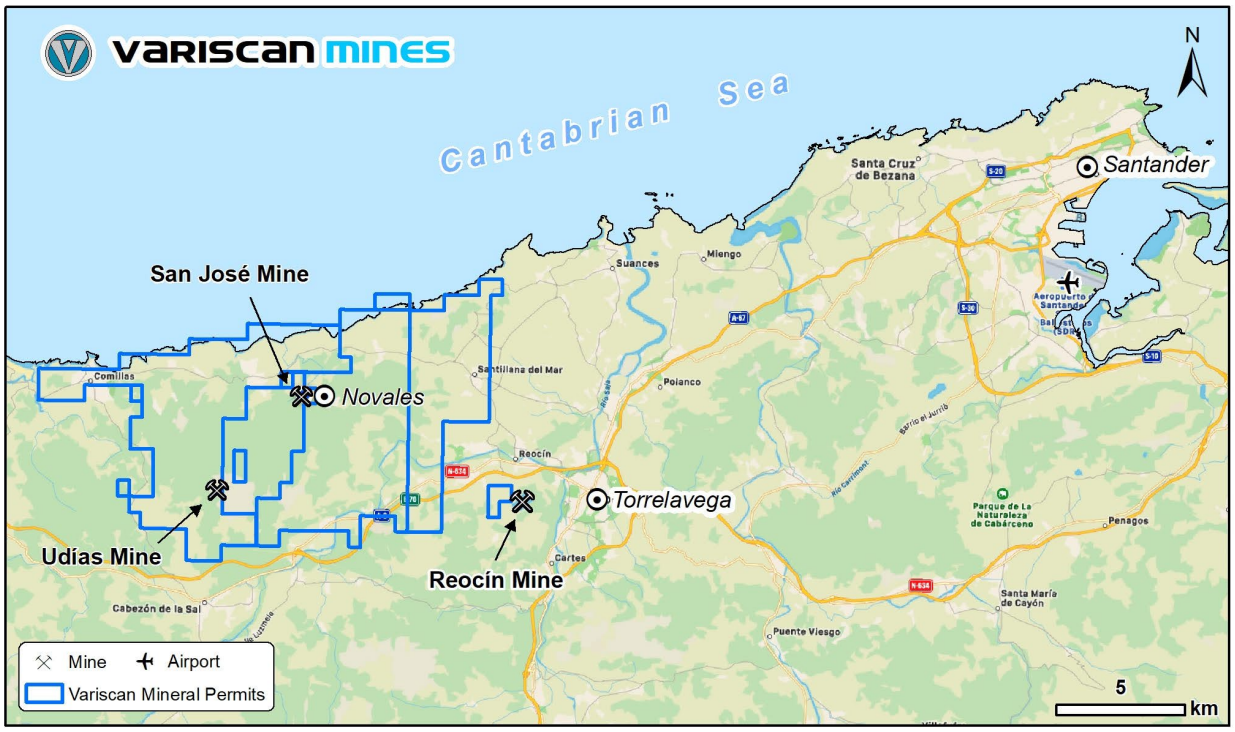


Figure 2. Map of Novales-Udias Project Licence Areas and local infrastructure

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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.

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.