



ASX Announcement | 29 September 2025

Variscan Mines Limited (ASX:VAR)

EXPLORATION UPDATE – 3D LASER SURVEY AT UDÍAS MINE COMPLETED TO SUPPORT DRILLING CAMPAIGN AND SIGNIFICANTLY ADVANCING UNDERSTANDING OF THE MINERALISED SYSTEM

Highlights

- **3D underground survey completed, confirming extensive under-explored mine development and identifying extensions of high-grade mineralisation**
- **Connects Udías and San Jose Mines; both are on the same mineral system**
- **Survey maps mine development of +7,500m over 6 levels**
- **Provides critical, digital geospatial data for future Mineral Resource Estimate (MRE) update and mine planning**
- **Drilling underway targeting new zones outside current MRE zones with assays expected imminently**

Variscan Mines Limited (ASX:VAR) (“Variscan” or the “Company”) is pleased to report that it has completed a 3D laser survey of the main underground development areas of the Udías Mine as part of its current drilling and exploration campaign.

3D survey advances understanding of the Udías – San Jose mineralised system → higher impact drilling, mineralisation modelling and Mineral Resource Estimate update

The completion of the 3D survey is a critical milestone as it significantly improves the understanding of the true scale and geospatial positioning of the historical mine development within the Udías Mine.

The Udías underground development is much larger than the San José Mine and remains open for an additional 2 km towards the south-east where the dense network of the historical Los Llagos – La Rasa – Duña underground mines extends; this area will be surveyed in due course.

The 3D survey revealed extensive, as yet under-explored areas within the Udías Mine and confirmed multiple extensions of high-grade mineralisation. The new digital data will inform drill targeting to achieve greater effect with improved efficiency and impact.

By creating the first accurate digital map of the underground mine workings, Variscan can now integrate historical drilling¹ and face sampling data² with its current exploration and drilling results. This enables areas not included in the existing MRE to be added to future updates, paving the way for potential growth.

The 3D survey was completed using high-resolution laser scanning and mobile mapping technologies. This is facilitating the development of a detailed model of the spatial relationships between existing adits, drives and mined areas with in-situ mineralisation informed by historical activity and new mineralisation discovered via the Company's current drilling. This modelling will directly support the next phase of exploration, drilling and resource definition.

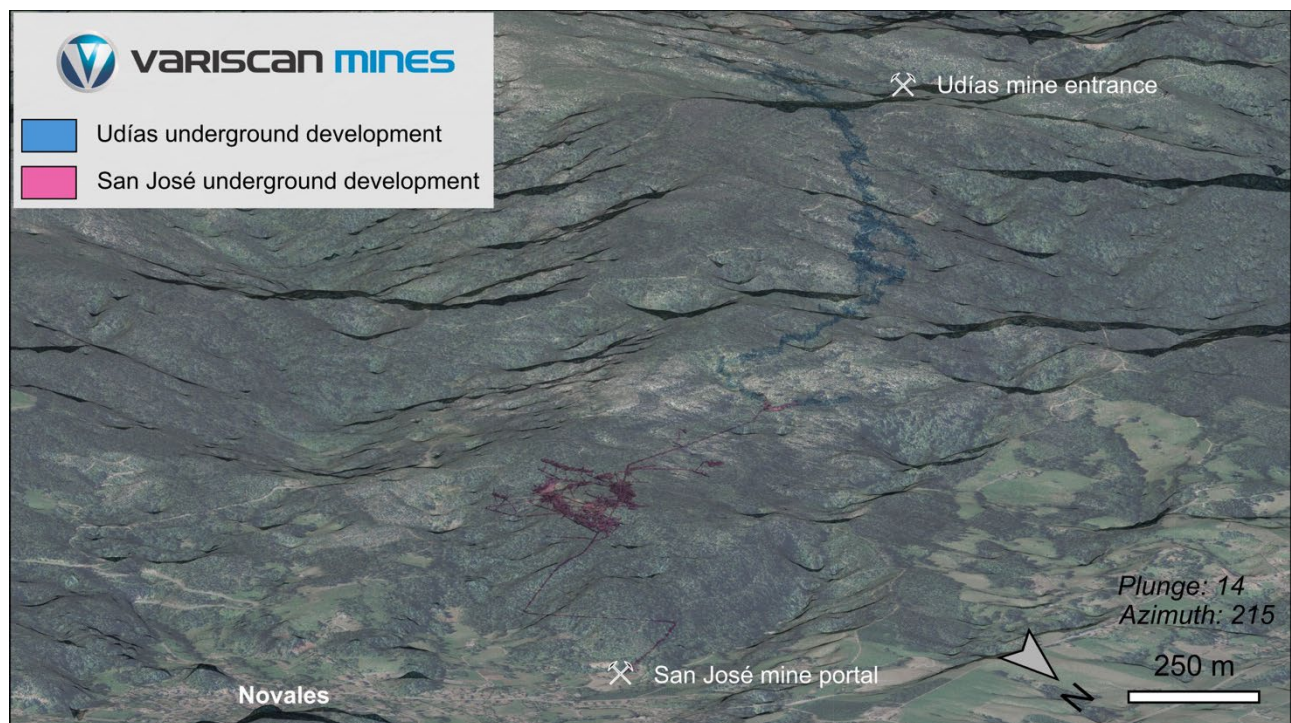


Figure 1. Satellite image showing underground development connecting San Jose and Udías Mines.

¹ Refer ASX Announcement 07 August 2023

² Refer ASX Announcement 10 September 2024

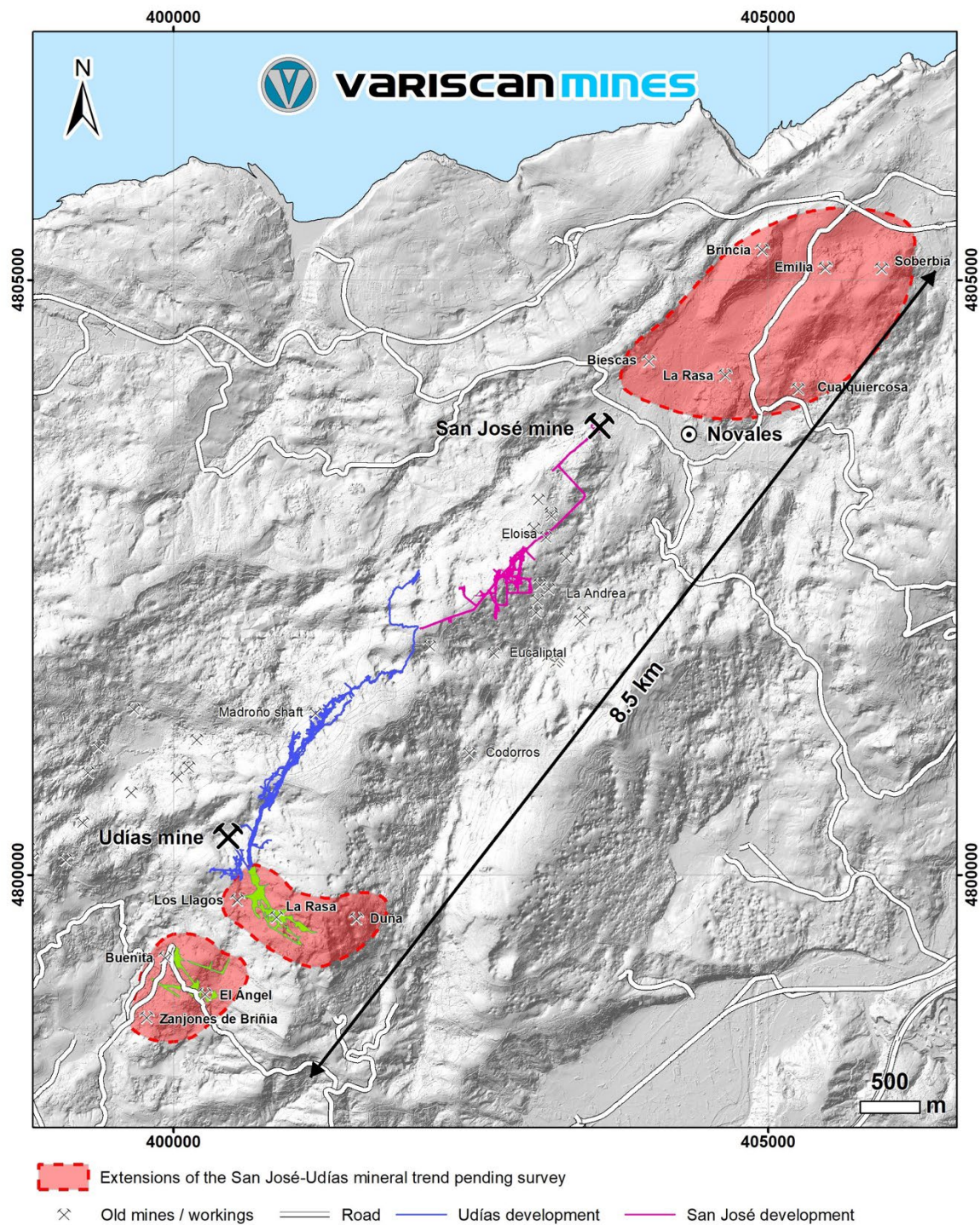


Figure 2. Plan view showing underground development surveyed connecting San Jose and Udías Mines and extensions to be surveyed in due course

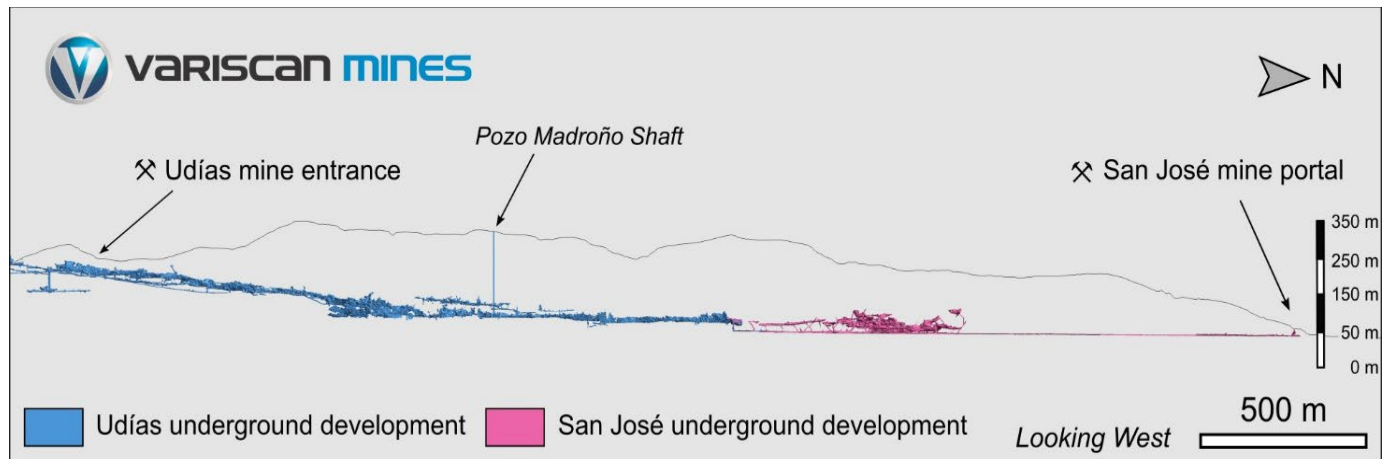


Figure 3. Section view showing underground development connecting San Jose and Udías Mines.

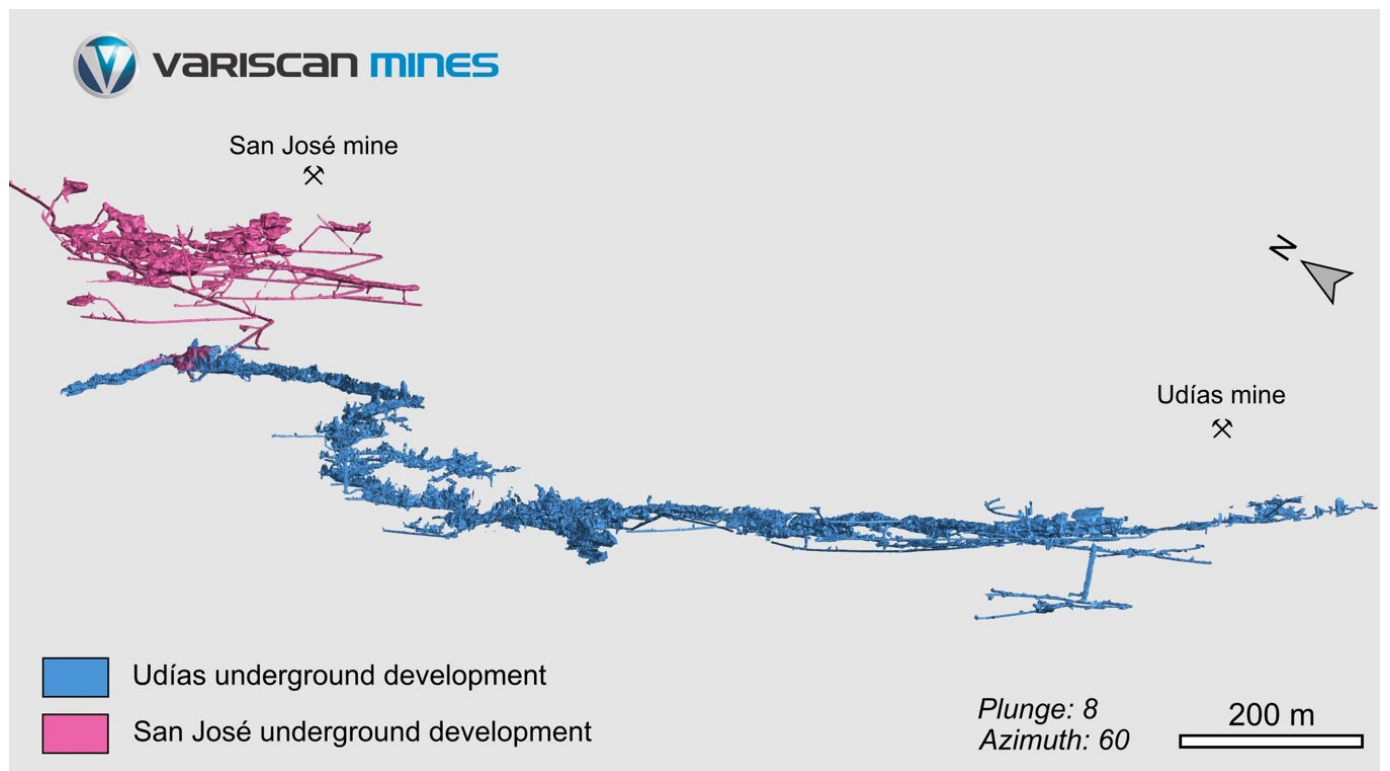


Figure 4. Orthographic view showing underground development connecting San Jose and Udías Mines.

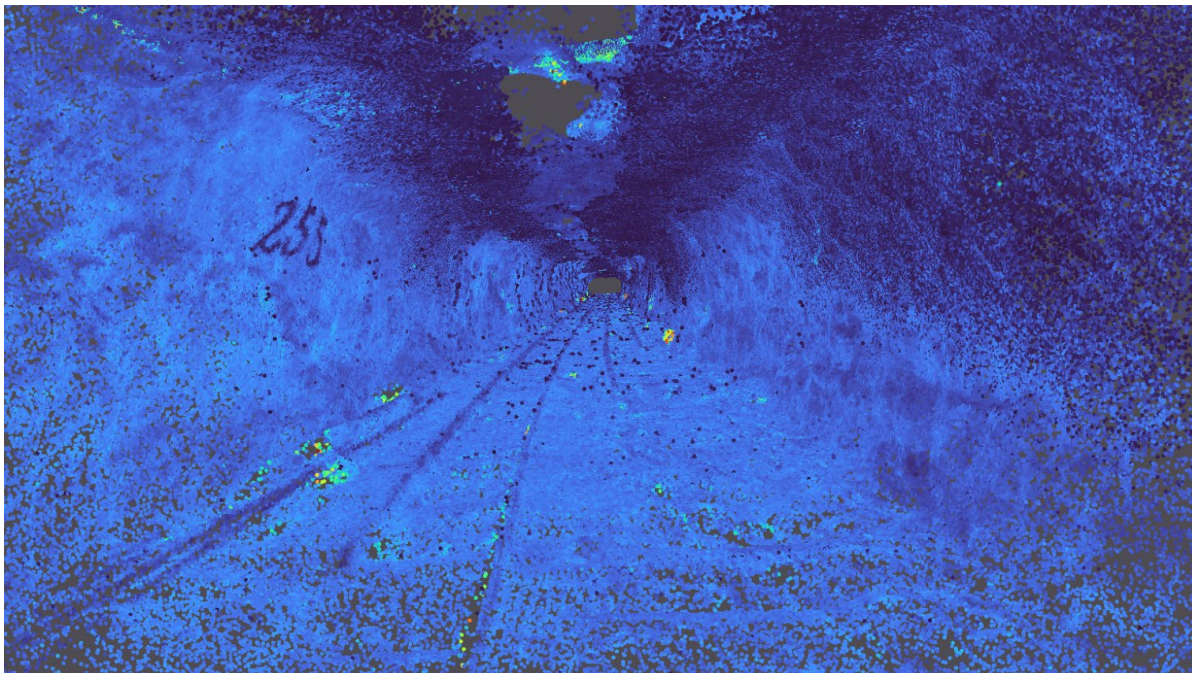


Figure 5. High resolution digital mesh imaging of a drive within the Udías Mine.

Drilling at Udías Mine continues, targeting resource growth and connection to San Jose Mine

Drilling is continuing to explore the Udías Mine which is highly prospective and largely under-explored. Current drill targets located entirely outside the envelope of the existing MRE model and expected to add to an updated MRE.

The Company's maiden underground drilling campaign within the Udías Mine has already delivered excellent results³, including discovery of new zones of mineralisation and confirmation that historical mining, which focused on near-surface zinc-oxide material, left behind high-grade, zinc-rich primary sulphide mineralisation. Recent drilling results also validate historical face sampling data⁴ with grades recorded in excess of 30% zinc.

The Udías Mine has a large footprint of under-explored workings. Assay results returned from the recently reported diamond drilling indicate that mineralised zones extend well beyond the current geological and MRE model and remain open. This suggests a broader, district-scale system with strong potential for resource growth. Importantly, the drilling has demonstrated a clear geological link between the Udías and San Jose Mines indicating they form part of the same mineralised system.

³ Refer ASX Announcement 24 February 2025 and 02 June 2025

⁴ Refer ASX Announcement 10 September 2024

Drilling will continue to systematically test high-priority target zones identified through the recent 3D survey, linking the Udías and San Jose Mines and integrating the combined resources into a single, exploitable deposit.

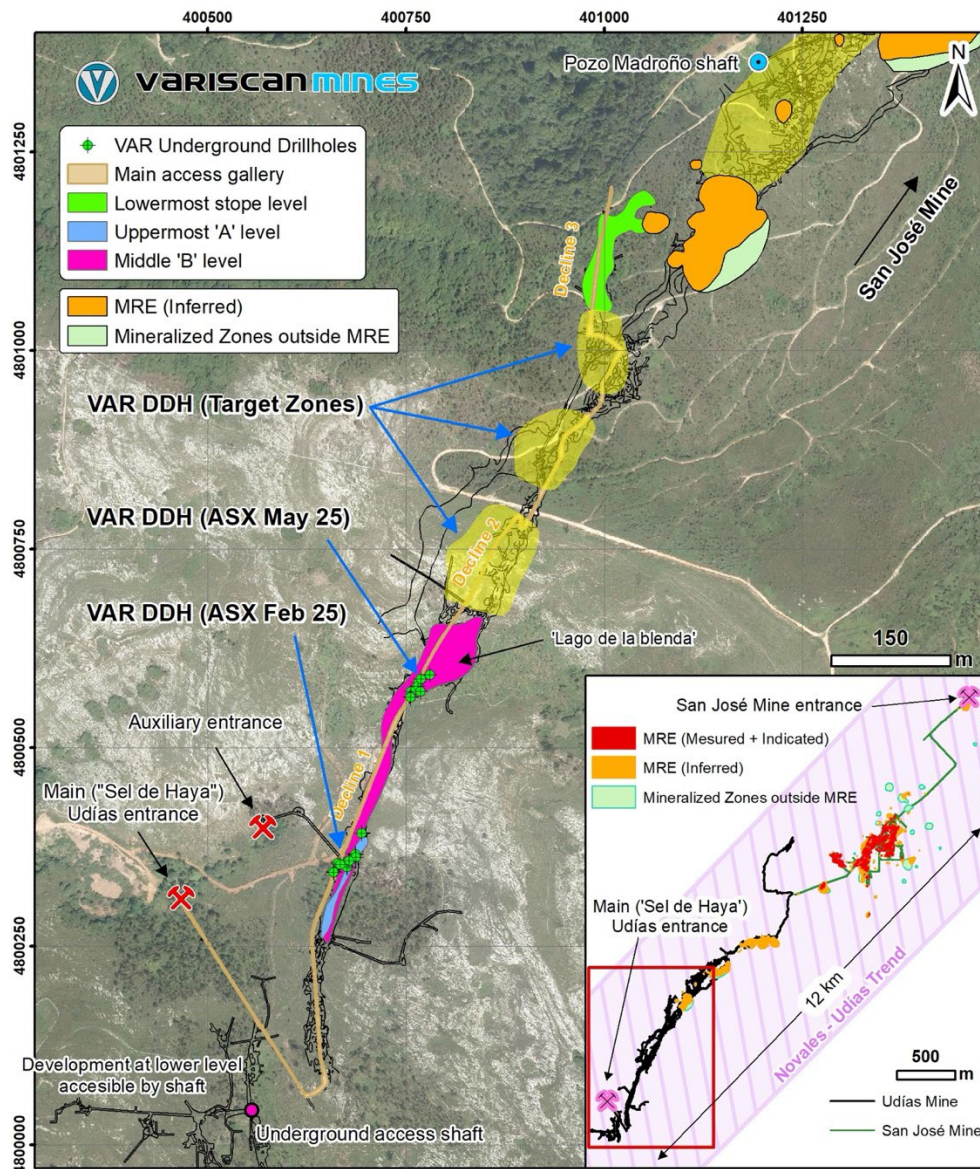


Figure 6. Plan view of the southern part of the Udías Mine indicating areas of drilling results, mine development, future drilling targets to link with zones of current mineral resources in north-eastern Udías and beyond to the San Jose Mine

Current & planned drilling at Udías mine outside of existing MRE

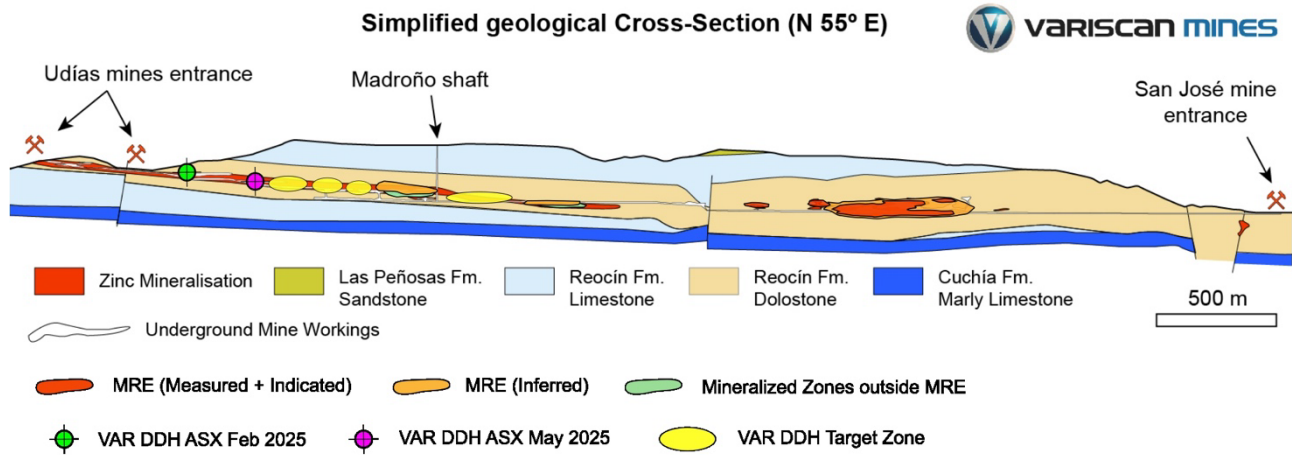


Figure 7. Section view indicating the location of current drilling in the Udías Mine, and future drilling target zones to link with the current mineral Resources in the San Jose Mine.

Next steps

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

- Further assay results from underground drilling at the Udías Mine
- 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
- Publication of the Mine Re-Start (Scoping) Study

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

"The 3D survey is important as it significantly improves our understanding of the Udías Mine. Having a 3D survey to supplement our underground access is very valuable. We can now see, visualise, model and access underground mineralisation, physically and digitally.

Advancing our understanding of the Udías Mine is very valuable as we have long been confident that the Udías Mine has significant potential to grow the overall Novales (San Jose) - Udías Project significantly.

Drilling will continue at Udías to explore, define new zones of mineralisation and seek to link up with our existing high-grade Mineral Resource Estimate. Our maiden drilling has already delivered excellent high-grade results. We look forward to reporting further assay results imminently.

We are delivering on our clear strategy to unlock value via re-starting production and exploration at one of the highest-grade, development stage zinc deposits in Europe, which is continuing to produce excellent results and make substantial progress".

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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We encourage all investors to share questions on this announcement via our interactive investor hub: [<https://variscan.com.au/s/c7125d>]

Or scan the QR code.

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



Purpose, Strategy & Delivery



Purpose Our mission is clear: to develop our high-grade zinc assets to transition to a producing mining company

Strategy Our Explorer-Producer Strategy is designed to deliver: early cashflow from production at the San Jose and Udias Mines, achieve attractive financial returns and sustainably fund ramp-up production growth, exploit exploration upside and the overall development of our project portfolio.

Focus Points



Zinc Focused
Structural opportunity to supply local markets as demand driven by energy transition tailwinds



Proven Assets
San Jose & Udias Mines have proven track record of high-grade zinc production



Ready for Mine Re-Start
Near term production opportunity for cashflow to sustainably fund ramp-up growth and exploration upside

Delivery

1
Near Term Production

2
District Scale Exploration

3
Selective & Accretive M&A

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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 brownfield 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 Spain⁵ and one of the world's richest MVT deposits⁶. Further, it is within trucking distance (~172km) from the San Juan de Neiva zinc smelter operated by Asturiana de Zinc (100% owned by Glencore). Significantly, the Novales-Udias Project includes a number of granted mining tenements⁷.

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 2024⁸
- Expanded tenement holding of 111 km² (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^{9 10})
- Trucking distance (~ 171km) 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% Zn¹¹ with super high grade 'bolsas' (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn¹²
- 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

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' Econ. Geol. v.98, pp. 1371-1396.

⁶ 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

⁷ Refer to ASX announcement of 29 July 2019

⁸ Refer to ASX announcement of 8 December 2024

⁹ 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.

¹⁰ 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.

¹¹ These figures have been taken from historical production data from the School of Mines in Torrelavega historical archives.

¹² 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)

- Local community and government support due to historic mining activity

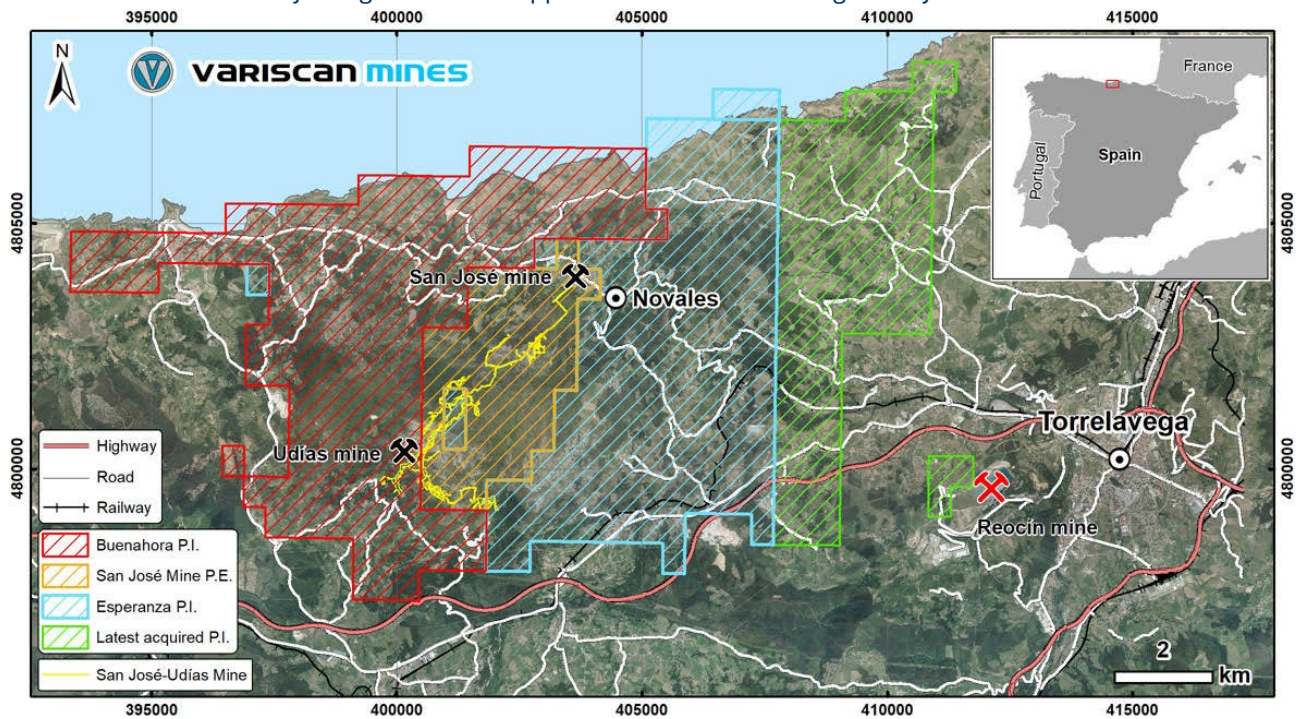


Figure 8. Map of Novales-Udias Project Licence Areas

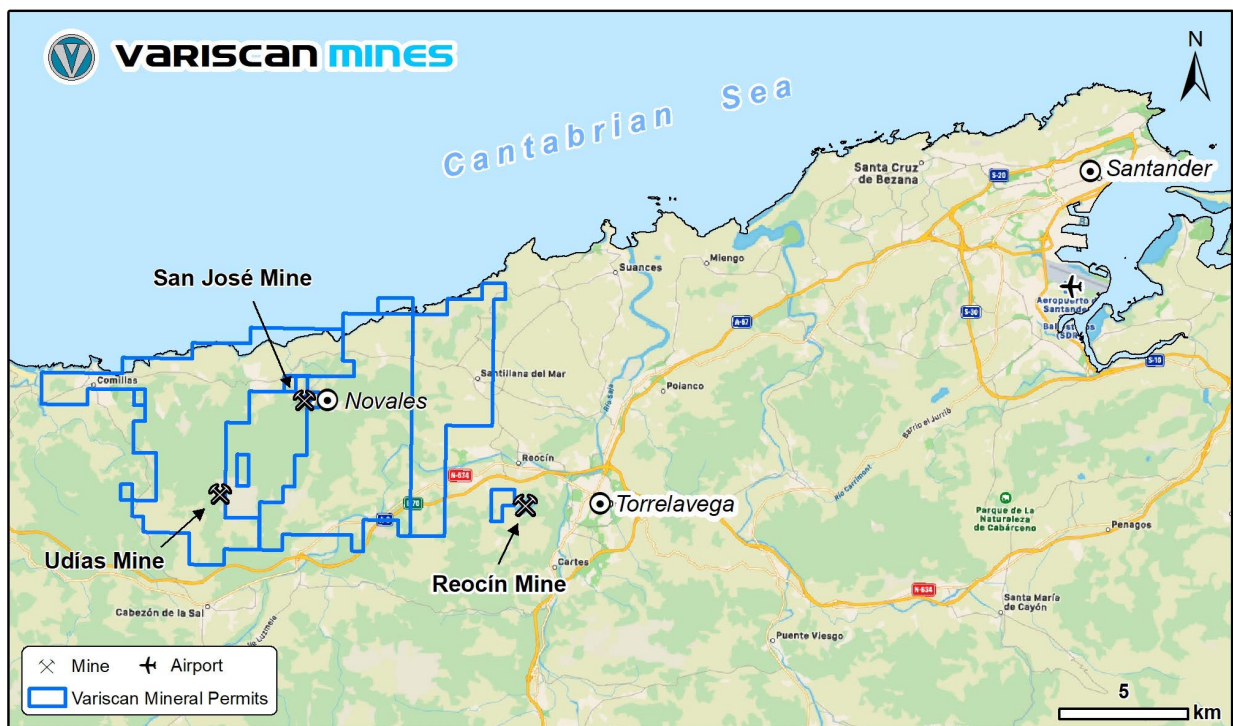


Figure 9. Map of Novales-Udias Project Licence Areas and local infrastructure

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)	Zinc (%)	Grade		Contained Metal		
				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
	<i>Measured & Indicated</i>	<i>1,122,135</i>	<i>8.90</i>	<i>1.63</i>	<i>10.53</i>	<i>99,845</i>	<i>18,262</i>	<i>118,107</i>
	Inferred	615,304	8.15	1.03	9.18	50,121	6,356	56,477
	<i>Sub-total</i>	<i>1,737,439</i>	<i>8.63</i>	<i>1.42</i>	<i>10.05</i>	<i>149,966</i>	<i>24,618</i>	<i>174,584</i>
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
	<i>Measured & Indicated</i>	<i>1,122,135</i>	<i>8.90</i>	<i>1.63</i>	<i>10.53</i>	<i>99,845</i>	<i>18,262</i>	<i>118,107</i>
	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 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.

Where reference is made to previous releases of exploration results and mineral resource estimates in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results and mineral resource estimates included in those announcements continue to apply and have not materially changed.

Refer ASX announcements:

- 31 July 2025 June Quarterly Activities Report
- 9 December 2024 Three fold increase in High Grade Mineral Resource Estimate for Novales-Udias Project

Where information in this document relates to previous exploration results that 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.