

QUARTERLY ACTIVITIES REPORT

For the period ending 31 March 2026

Highlights

Novales-Udías Project

- San José Mine Re-Start Study delivers economically robust ‘starter operation’ with potential for 11-year mine life.
- Strong financial metrics highlight pathway to near-term production and cashflow generation.
- Low pre-production capital (~A\$33M) leveraging existing underground development (~1.6km), reducing cost and timeline to production.
- Only ~50% of current Mineral Resource utilised in Study, highlighting significant scale-up potential across the broader system.
- First concentrate production targeted for 2028, subject to funding, permitting and early works execution.
- Funding strategy progressing with focus on non-dilutive structures (debt, royalty, streaming, offtake).
- Underground drilling at Udías continues to target extensions beyond current MRE and along strike toward San José.
- Explorer-Producer strategy advancing with parallel development and resource growth.

Corporate

- Binding term sheet signed for A\$1 million Convertible Loan Note Facility to support exploration and development of Novales-Udías Zinc Project.
- Board and management transition initiated to support next phase of development and project execution.
- Irish zinc earn-in process remains under negotiation, with revised timing being progressed.
- 49% interest retained in Callabonna Project with Chalice Mining earning into Red Metal’s interest.

IMPORTANT NOTICE / CAUTIONARY STATEMENT

The Mine ReStart Study (“**Study**”) referred to in this Quarterly Report (see ASX release 25 March 2026) has been undertaken to determine the viability of recommencing underground mining at Variscan’s San José Mine in Cantabria, northern Spain. The San José Mine forms a central part of the wider Novales-Udias Project (the “**Project**”).

The Study has been produced to **Scoping Study** level, as defined in Clause 38 of the JORC Code (2012). It is a preliminary technical and economic assessment of the potential viability of the San José Mine to +/- 35% accuracy. It is based on low level technical and economic assessments that are not sufficient to support the estimation of Ore Reserves. The Study includes existing JORC 2012 Code Measured, Indicated and Inferred Mineral Resources defined with the San José Mine, with a production target derived from contained metal in the following categories: Measured (28%), Indicated (37%) and Inferred Mineral Resources (35%) over the Life of Mine. Investors are cautioned that there is a low level of geological confidence in Inferred Mineral Resources and there is no certainty that further drilling will result in the determination of Measured or Indicated Mineral Resources or that the production target will be realized. In the first 3 years of operation, the majority of Mineral Resources scheduled for extraction are Measured and Indicated, which supports the base case Payback Period of 3.8 years (3.2 years at current prices) and achieving positive cashflow generation within 2.1 years (1.6 years at current prices).

The Study is based on material assumptions outlined in this announcement, including assumptions about the availability of funding in the order of approximately €19m (A\$33m). Investors should note that there is no certainty that Variscan will be able to raise the required amount of funding when needed. While Variscan considers all of the material assumptions to be based on reasonable economic grounds, there is no certainty that they will prove to be correct or that that outcomes indicated by the Study will be achieved.

Variscan has concluded it has reasonable basis for providing the production target and forecast financial information included in this announcement.

The Mineral Resources underpinning the production targets in this announcement were announced in the Mineral Resource Estimate (“**MRE**”) published in December 2024 and have been prepared by a Competent Person in accordance with the requirements of the JORC Code 2012 Edition.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

Variscan Mines Limited (ASX:VAR) (“Variscan” or the “Company”) is pleased to provide shareholders and investors with an operations overview to accompany the Appendix 5B for the quarter ending 31 March 2026 (“**Quarter**” or the “**Reporting Period**”).

During the Quarter, the Company transitioned from advanced study phase to development planning following completion of the San José Mine Re-Start Study, which demonstrated a technically robust and economically attractive pathway to recommence production at the San José Mine. The Study outlined a low-capital, staged ‘starter operation’ leveraging existing underground infrastructure, with strong financial returns and a clear pathway to near-term cashflow generation, while utilising only a portion of the current Mineral Resource and highlighting significant scale-up potential across the broader Novales–Udías system. The Study positions Variscan as a near-term zinc restart opportunity in a proven European mining district. In parallel, underground drilling at the Udías Mine continued to target extensions to mineralisation outside the current MRE and along strike toward San José, reinforcing the interpretation of a large, continuous mineralised system and supporting ongoing resource growth.

Furthermore, the Company announced that Red Metal Limited has entered into an earn-in agreement with Chalice Mining Limited in relation to Red Metal’s majority (51%) interest in the Callabonna Project, in which Variscan retains its 49% interest.

Variscan’s Executive Director, Tom Kent said:

“The March Quarter represents a defining period for Variscan with the delivery of the San José Mine Re-Start Study, confirming a technically robust and economically attractive pathway to production. The study outlines a pragmatic, low-capital ‘starter operation’ leveraging existing infrastructure, providing a platform for near-term cashflow generation and future scale-up across the broader Novales-Udías system.

Importantly, only a portion of the current Mineral Resource underpins the Study, highlighting the significant growth potential through ongoing underground exploration at Udías and across the wider project.

With a clear development pathway now established, Variscan is focused on continuing to grow the resource base as we transition toward becoming a zinc producer.”

Novales-Udías Project

San José Mine

During the Quarter, Variscan announced the results of its San José Mine Re-Start Study (see ASX release dated 25 March 2026), representing a key inflection point in advancing the Company’s Explorer-Producer strategy and transitioning the Novales-Udías Project toward development.

The Study demonstrates the technical and economic viability of recommencing zinc and lead production via a staged, capital-efficient ‘starter operation’, leveraging the inherent advantages of the existing underground development and site infrastructure. The proposed development strategy adopts

a pragmatic, low-capex approach focused on achieving early production and cashflow generation, while providing a platform for future growth and scale-up across the broader Novales-Udías Project.

Key Outcomes Include:

- 11-year initial mine life based on existing Mineral Resources.
- Strong financial returns, with strong IRR and rapid payback period (~3.8 years; ~3.2 years at current prices).
- Strong free cashflow generation, estimated at ~€53M (A\$93M) post-tax, increasing to ~€75M (A\$131M) at current prices.
- NPV₅ (post-tax) of ~€38M (A\$67M), increasing to ~€55M (A\$96M) at current prices.
- Low pre-production capital cost (~€19M / A\$33M), reflecting the advantages of existing underground development.
- Reduced pre-production timeframe (~2.5 years), leveraging ~1.6km of existing mine development.
- Low sustaining capital expenditure and low capital intensity, consistent with a brownfield restart strategy.
- Low operating costs, with total cash costs of ~€63/t (A\$110/t).
- Early cashflow generation, with positive cashflow expected within ~2.1 years (or ~1.6 years at current prices).
- Only ~50% of the Mineral Resource utilised in the Study, highlighting significant potential for future scale-up and mine life extension.
- Modular ‘starter operation’ design, providing a platform for future production growth.
- Leverages existing site infrastructure and approvals, supporting a pragmatic, low-capex pathway to production.
- Cashflow expected to support Mineral Resource growth, production ramp-up and broader asset portfolio development.

The Study outlines a clear pathway toward production, with first concentrate targeted for 2028 (subject to funding, permitting and completion of early works). Refer ASX release 25 March 2026 for further detail.

In parallel, Variscan has appointed Square Resources as its marketing manager and expects to commence concentrate marketing outreach, supporting future offtake and commercialisation pathways.

The proposed ‘starter operation’ is designed to generate early free cashflow which is expected to support:

- Ongoing Mineral Resource growth through continued exploration
- Progressive production ramp-up
- Advancement of the wider Novales-Udías Project and asset portfolio

Importantly, the Study highlights the opportunity to scale operations over time, including potential integration of the adjacent Udías Mine and further development of the broader project area. Following completion of the Study, the Company is focused on advancing funding discussions, prioritising non-dilutive financing options, while progressing early works planning and permitting pathways required to support a Final Investment Decision (FID).

The delivery of the San José Mine Re-Start Study represents a significant step toward transitioning Variscan from an explorer to a producer, while maintaining exposure to substantial exploration and development upside across the Project.

Udías Mine

Underground diamond drilling recommenced at the Udías Mine during the Quarter, targeting extensions to known mineralisation and testing new zones along strike toward the San José Mine as part of the broader Novales–Udías system (see ASX release dated 21 January 2026).

Drilling was undertaken along existing underground development, with a focus on systematically advancing into previously untested zones and progressing toward linking mineralisation at Udías with the San José Mine in Novales. All drilling completed to date remains outside the current Mineral Resource Estimate (MRE), reinforcing the potential for continued resource growth and highlighting the scale of under-explored mineralisation within the Udías Mine complex (See Figures 1 and 2).

During the Quarter, the Company continued to refine drill targeting through the integration of historical drilling data, face sampling and 3D mine modelling, together with its recent drilling results. This work is supporting an improved understanding of the geometry and continuity of mineralisation and is being used to delineate priority target zones along the existing mine development.

Results to date continue to demonstrate strong geological similarity between mineralisation at Udías and the adjacent San José Mine, indicating both form part of the same continuous mineral system. The Udías Mine hosts a large footprint of under-explored underground workings, with mineralisation interpreted to extend beyond the current geological and MRE model and remain open along strike and at depth.

These outcomes further support the Company’s strategy of progressing exploration in parallel with development, with ongoing underground drilling expected to contribute to Mineral Resource growth, extend mine life and support future production scale-up across the Novales–Udías Project.

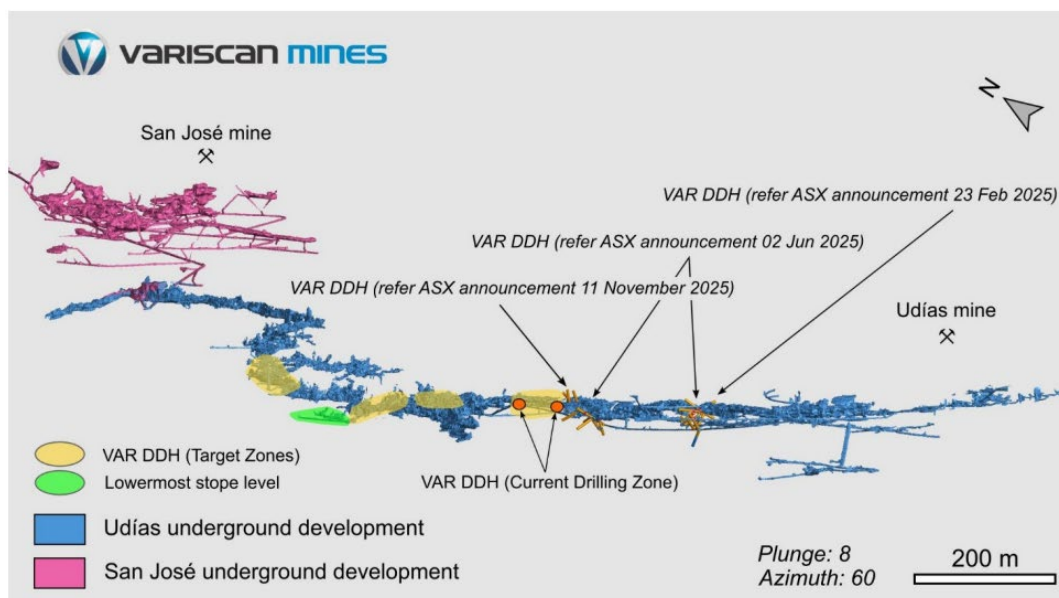


Figure 1. Orthographic view of the Udías Mine showing current drill collars, 2025 reported results and planned targets to link mineral resources in the north-east of the mine with the San José Mine.

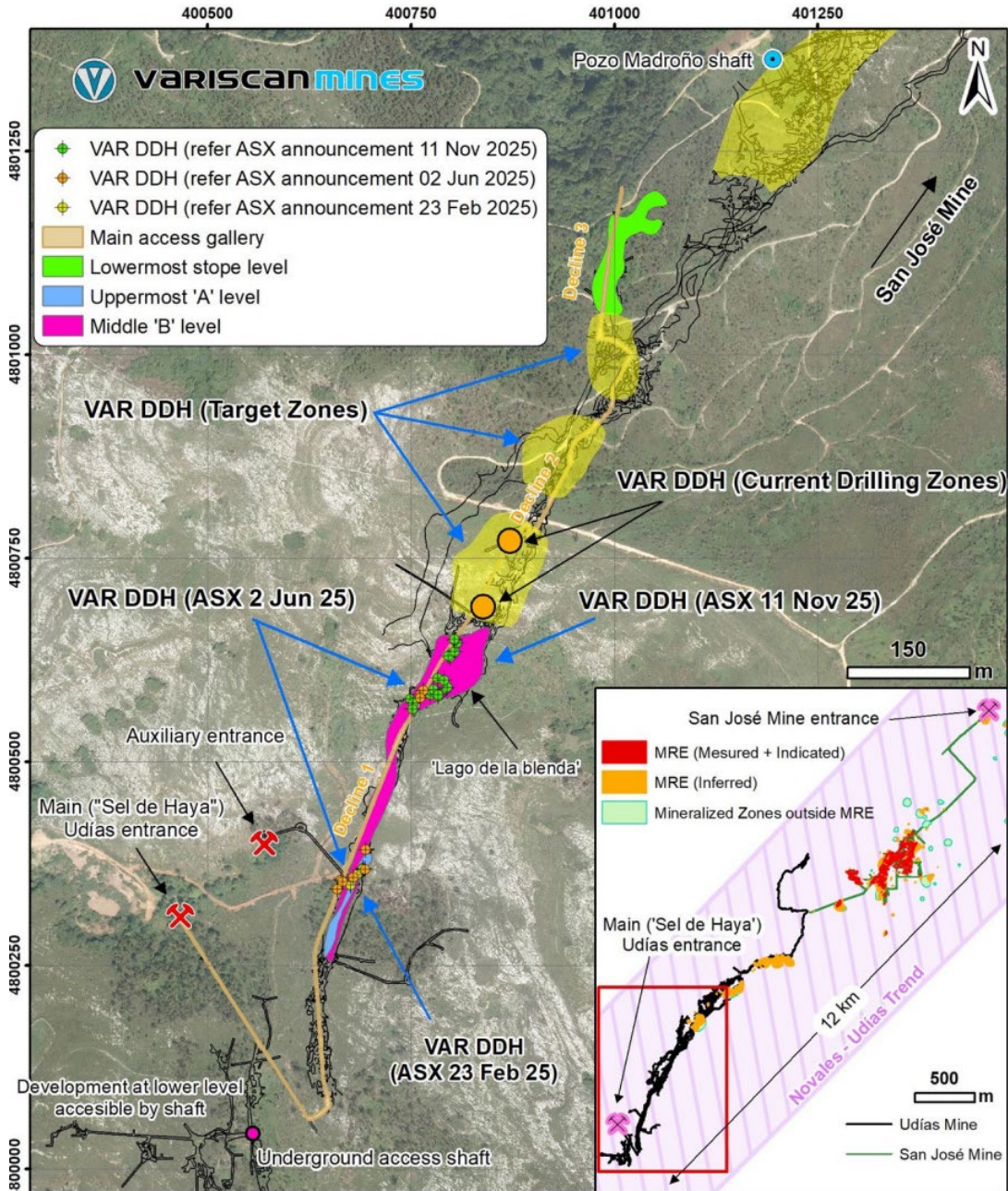


Figure 2. Plan view of the southern part of the Udías Mine indicating areas of current drilling locations, drilling results reported in 2025, mine development, and future drilling targets to link with zones of current mineral resources in north-eastern part of the Udías Mine and beyond to the San José Mine

Corporate & Financial

During the quarter, Variscan implemented changes to its Board and executive leadership to support the next phase of its development. Mr Vaughan (Tom) Kent, who was appointed to the Board as a Non-Executive Director during 2025, has transitioned to Executive Director as part of a broader leadership transition aligned with advancing the Company toward development and production. Mr Nicholas Farr-Jones resigned as a Non-Executive Director during the Quarter, having made a valuable contribution to the Company since his appointment. In addition, Mr Stewart Dickson resigned as Managing Director

and CEO and will step down from the Board, providing a structured transition period as Acting CEO for up to six months. The Board has commenced an executive search process to identify a new CEO to lead the Company's next phase of growth following completion of the San José Mine Re-Start Study.

Furthermore, Variscan maintained its 49% interest in Exploration Licence EL6318 at the Callabonna Project, following the execution of an earn-in agreement between Red Metal Limited (ASX: RDM) and Chalice Mining Limited. Under the proposed arrangement, Chalice may earn into Red Metal's interest through exploration expenditure, including a minimum commitment of basement drilling within the first 12 months. Variscan's interest and rights under the existing agreement remain unchanged, with Chalice's involvement expected to accelerate exploration activities targeting large-scale IOCG mineralisation.

During the Quarter, the proposed Earn-In and Joint Venture Agreement ("Definitive Agreement") with MDF Global Limited ("MDF"), Zinc GroupCo Pty Ltd ("ZincCo") (together, the "Vendors") and BMex Pty Ltd ("BMex") over the Midlands and Waterford zinc projects in Ireland was not executed as certain conditions precedent, including a subscription by ZincCo were not satisfied within the prescribed timeframe and therefore the Definitive Agreement was not executed. The Company is seeking to negotiate a revised date by which the conditions precedent to execution of the Definitive Agreement may be satisfied with the Vendors and BMex.

Financial liquidity

In addition to cash at bank, the Company has recently entered into a binding term sheet for an unsecured, A\$1 million convertible loan note facility (the "Facility") to support the exploration and development of its 100% owned Novales-Udías Zinc Project in Cantabria, northern Spain.

The Facility is being provided by a small syndicate of professional and sophisticated mining sector focused investors who are supportive of the Company's development plans and progression towards recommencing production at the San José Mine

The key terms of the Facility are set out the Company's ASX announcement of 30 January 2026.

Summary of Expenditure on Exploration Activities

For the Quarter, the Group spent \$311,000 on exploration activities, substantively all of which related to the Group's Spanish zinc projects. These exploration activities related to:

- Underground drilling;
- Geological modelling;
- Technical consulting fees;
- Tenement administration, reporting and management; and
- Directly-attributable corporate overheads and administration costs.

In accordance with ASX Listing Rule 5.3.2, the Company advises that no Mining Development or Production activities were conducted during the quarter.

Deferred Settlement Shares

In accordance with the acquisition agreements, 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. Pursuant to the Hispanibal Option being settled, a deferred cash payment of €200,000 is payable upon the publication of a JORC compliant mineral resource. This is expected to be payable upon achievement of Milestone 1 as set out above.

As at the date of this report neither of these milestones have been reached.

Other

During the quarter, the Company made payments to related parties of \$47,000 represented by remuneration paid to Directors.

ENDS

This ASX announcement has been approved by the Board and authorised for issue by the Board, Variscan Mines Limited

For further information, please contact:

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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)

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

For more information



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Novalés- Udías Project Summary

The Novalés-Udías Project is an advanced zinc-lead project located in the Basque-Cantabrian Basin, approximately 30km southwest of the regional capital, Santander. The Project is centred around the former producing San José and Udías underground mines and encompasses a large, de-risked, district-scale exploration and development area. This includes a number of satellite underground and surface workings and areas of zinc anomalism. Variscan has delineated a significant ~12km mineralised Novalés Trend, the majority of which is covered by valid, granted mining tenements.

The San José Mine is located approximately 9km from the world-class Reocín Mine, the largest known strata-bound carbonate-hosted Zn-Pb deposit in Spain and one of the world's richest MVT deposits. The Project is within trucking distance (~80km) of the San Juan de Nieva zinc smelter operated by Asturiana de Zinc (a subsidiary of Glencore).

Novalés- Udías Project Highlights

- Near-term zinc production opportunity, underpinned by completion of the San José Mine Re-Start Study and progression toward development
- JORC compliant Mineral Resource Estimate of 3.4Mt @ 7.6% Zn, 0.9% Pb (December 2024)
- Expanded tenement holding of 111 km² (including a number of granted mining tenements)
- Regional exploration potential for another discovery analogous to Reocín Mine (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb^{1 2})
- 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 José Mine; average grade reported as ~7% Zn³ with super high grade 'bolsas' (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn⁴
- Maiden drilling at Udías 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

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

²Cautionary 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.

³These figures have been taken from historical production data from the School of Mines in Torrelavega historical archives.

⁴ 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)

Mineral Resource Estimate for Novales-Udías Project

JORC Mineral Resource Estimate for San José 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 and technical information about the Novales-Udías 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.

Where reference is made to previous releases of exploration results and mineral resource estimates and including the results of the Mine Re-start Study released on 25 March 2026, 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.

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.

LISTING OF TENEMENTS HELD AT 31 MARCH 2026

Tenement	Tenement No.	Interest	Joint Venture Details
SPAIN			
<u>Cantabria</u>			
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%	
Esperanza	IP 16674	100%	

Tenement	Tenement No.	Interest	Joint Venture Details
Estela	IP 16672	100%	
Elena	IP 16673	100%	
Candela	IP 16676	100%	
Valeria	IP 16675	100%	
Hipolita (Reocin)	IP 16680	100%	
Ana Isabel	IP 16679	100%	
<u>Toledo</u>			
Guajaraz	IP 4.203	100%	

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% - Note 3

EL = Exploration License

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: Chalice Mines Limited is currently earning into Red Metal's interest in the Callabonna project.

Appendix 5B

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

Name of entity

Variscan Mines Limited

ABN

16 003 254 395

Quarter ended ("current quarter")

31 March 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(36)	(202)
(e) administration and corporate costs (including one-off legal and other associated costs)	(66)	(458)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
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)	-	-
- Costs related to proposed acquisition of Irish Zinc Projects	-	(112)
1.9 Net cash from / (used in) operating activities	(102)	(772)
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	(311)	(1,309)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
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	(311)	(1,309)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	6	6
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(149)
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	6	1,857

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	634	452
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(102)	(772)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(311)	(1,309)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6	1,857
4.5	Effect of movement in exchange rates on cash held	(2)	(3)
4.6	Cash and cash equivalents at end of period	225	225

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	225	634
5.2	Call deposits	-	-
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)	225	634

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	36
6.2	Aggregate amount of payments to related parties and their associates included in item 2	11

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.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify) – Convertible Note Facility	1,000	-
7.4 Total financing facilities	1,000	-
7.5 Unused financing facilities available at quarter end		1,000
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.		
<p>On 30 January 2026, the Company announced a binding term sheet for an unsecured A\$1.0 million convertible loan note facility with a syndicate of professional and sophisticated investors. Notes have a 12-month term and carry a 10% coupon (payable in shares). Notes are convertible at the noteholder's election at a 20% discount to the 15-day VWAP, subject to a floor of A\$0.008 and cap of A\$0.015 per share. The facility is fully undrawn as at the date of this report.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(102)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(311)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(413)
8.4 Cash and cash equivalents at quarter end (item 4.6)	225
8.5 Unused finance facilities available at quarter end (item 7.5)	1,000
8.6 Total available funding (item 8.4 + item 8.5)	1,225
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.97
<i>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.</i>	
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:	
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:	

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

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:

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 April 2026.....

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.