ASX Announcement | 3rd June 2026
Variscan Mines Limited (ASX:VAR)

SURFACE AND UNDERGROUND DRILLING ADVANCING AT THE NOVALES PROJECT

Highlights

- **Channel sampling program of high-grade zones completed at the historical Emilia Mine north of Novales – assays pending**
- **Underground drilling program underway at Emilia keeps expanding mineralised footprint**
- **Surface drilling scheduled to commence this month**
- **Udías infrastructure upgrades advancing to support expanded underground drilling program**
- **Exploration underway at multiple sites across the 12km Novales Zinc trend**
- **Continuation of mine restart plan**

Variscan Mines Limited (ASX:VAR) ("Variscan" or "the Company") is pleased to advise that surface and underground exploration are advancing at Emilia and Udías within the Novales Project area, with multiple work programs now underway across the Company's northern Spain zinc portfolio. The work programs are designed to support near-term drill testing across multiple high-priority targets along the 12km Novales Zinc trend.

Variscan's Chairman, Tony Wehby, said:

"In May, Variscan received the first tranche of funds from the recently completed capital raising, a General Meeting will be held in July for shareholders to vote on whether to authorise the Company to issue shares for the second tranche of funds (A$4m) from that raising.

This announcement reflects the enthusiasm that the capital raising has given the whole Variscan team, as we embark with renewed vigour on a range of activities to add value to our Novales Project.

With multiple programs underway, we expect a strong flow of operational news over the coming months."

Members of the Variscan team preparing for drilling at Emilia

Sampling and Drilling Activities Advancing at Emilia Mine

The Emilia Mine is located approximately 2.3km northeast of the San José Mine along the high-grade San José-Udías zinc trend, which extends for more than 12km across the Novales Project area, and is located outside of the current Mineral Resource Estimate ("MRE").

Channel sampling programs at Emilia have been completed, with samples submitted for laboratory analysis and assay results pending. The program was designed to systematically assess near-surface mineralisation and refine drill targeting, building on recently integrated historic underground drilling and face sampling data[1].

[1] Refer ASX Announcement "High-Grade Historic Surface Drilling Results on the Novales Zinc Trend" 11 May 2026

Previously reported historical drilling and underground sampling results (refer ASX announcement 11 May 2026) highlighted Emilia as a significant extension to the broader San José-Udías mineral system, with multiple high-grade zinc intersections confirming continuity of mineralisation along trend. Historical results compiled by Variscan include intercepts and underground sampling including:

- **Sample Z-3: 2.85m @ 33.50% Zn, 0.52% Pb**
- **Sample Z-7: 2.75m @ 22.50% Zn, 0.31% Pb**
- **Sample Z-9B: 2.00m @ 28.00% Zn, 1.52% Pb**

In parallel, the Company commenced underground drilling at Emilia to provide geological and structural data for the planned surface drilling campaign and to confirm outstanding visuals of high-grade mineralisation identified underground.

A drilling contractor has been appointed to conduct surface drilling at Emilia and the surrounding area, with detailed site inspections currently underway ahead of mobilization scheduled for late June 2026. Variscan is eager to drill-test for the first time promising targets along this 4-km-long northern extension of the San José-Udías zinc trend that boasts multiple occurrences of high-grade zinc.

Infrastructure Preparation Underway at Udias

At Udías, preparations are progressing for the installation of additional power infrastructure required to facilitate underground drilling at deeper levels. The upgraded power capacity will support a substantial underground drilling campaign along the richly-mineralised northern section of the Udías Mine.

The Udías Mine forms part of the broader Novales Project. Underground drilling completed at Udías returned a series of significant high-grade zinc intersections outside the current Mineral Resource Estimate ("MRE"), highlighting the potential to significantly expand mineralisation beyond the existing resource model.

Variscan is integrating historical drilling, face sampling and recently completed 3D underground survey data, together with its own drilling results to refine and prioritise future drill targets at Udías. Previous drilling has clearly demonstrated that mineralisation extends well beyond the current geological and MRE model, with known mineralised zones continuing over a strike length of more than 3km southwest from the San José Mine. The expanded drilling campaign planned at Udías is expected to target new zones of mineralisation along existing underground development, with the objective of linking mineralised areas between Udías and San José while continuing to test for additional extensions to the broader mineral system.

Reopening of the San Jose mine

Following its recent publication of a Mine Restart Study, Variscan has now commissioned the preparation of the required Hydrogeological Study and Environmental Impact Assessment Report. These studies are part of the required mining approval process. In parallel, preparations are progressing for the installation of additional power infrastructure required for the future minesite.

District Scale Opportunity

The Cantabria region of northern Spain is a world-class brownfield zinc district renowned for hosting multiple Mississippi Valley Type ("MVT") zinc-lead deposits, a deposit style typically associated with extensive mineralised systems containing numerous deposits.

In Cantabria, Variscan Mines holds a robust tenement of 400 mining cuadricules (111.1 km^2) covering the central part of the fertile Cantabrian Basin and encompassing over 60 historical zinc mines and prospects, spread along a 12km long mineralised corridor stretching from Udias to Ubiarco. Thus, the broad Novales Project represents a district-scale zinc exploration and development opportunity, combining high-grade mineralisation, existing underground infrastructure and substantial exploration upside across multiple target areas.

Next Steps & Way Forward

- Assay results from channel sampling and underground drilling
- Ongoing underground drilling program at Emilia
- Continuation of underground drilling program at Udias
- Deployment of an expanded surface drilling program

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

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About Variscan Mines Limited (ASX:VAR)

To learn more, please visit: www.variscan.com.au

Project Summary

The Novales 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 12km 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[2] and one of the world's richest MVT deposits[3]. 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 Project includes a number of granted mining tenements[4.]

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[2] Velasco, F., Herrero, J.M., Yusta, I., Alonso, J.A., Seebold, I. and Leach, D., (2003) 'Geology and Geochemistry of the Reocin Zinc-Lead Deposit, Basque-Cantabrian Basin, Northern Spain' Econ. Geol. v.98, pp. 1371-1396.
[3] 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
[4] Refer to ASX announcement of 29 July 2019

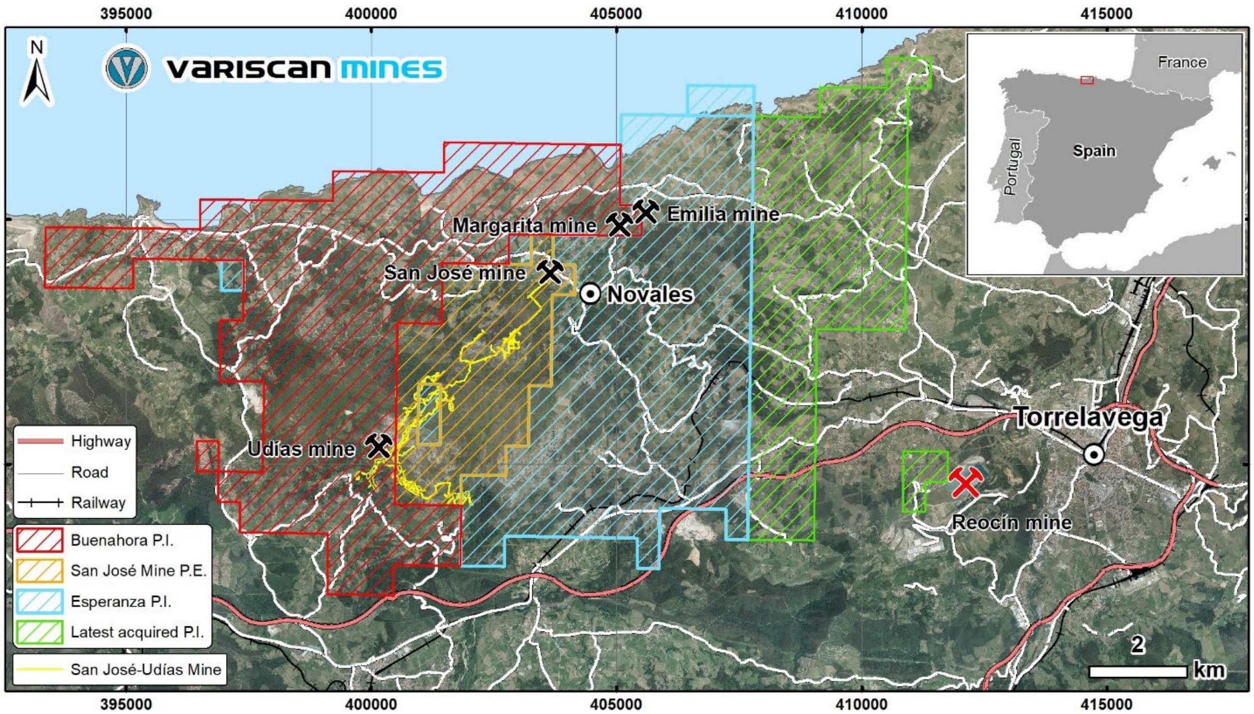

Figure 1. Map of Novales Project Licence Areas

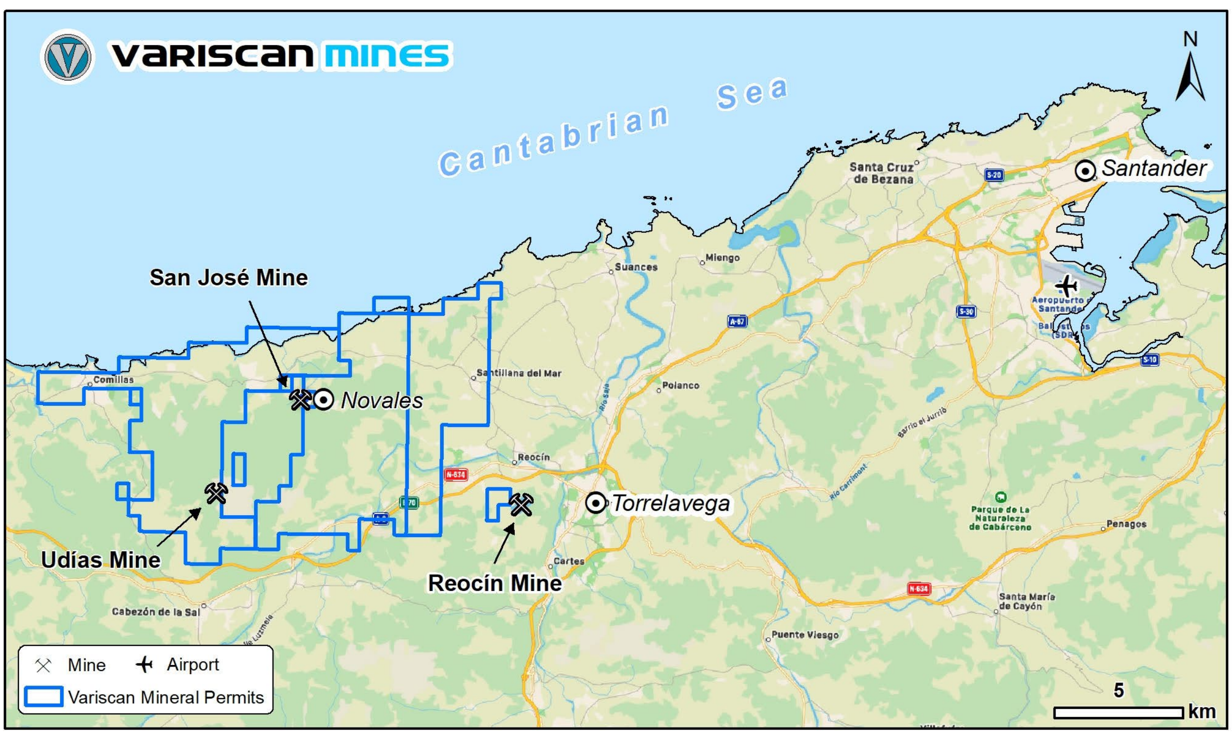

Figure 2. Map of Novales Project Licence Areas and local infrastructure

Mineral Resource Estimate for Novales 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

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.

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.