

ASX Announcement | 03 September 2025

Variscan Mines Limited (ASX:VAR)

RESTORATION PLAN APPROVED OVER MINING LICENCES AT NOVALES-UDIAS ZINC PROJECT

Highlights

- **Approval of the Restoration Plan over the Mining Licences provides a clear and unambiguous permitting approval to proceed to exploitation / re-commencing mine production**
- **Restoration Plan covering the San Jose & Udias Mines permits:**
 - **the management of waste from extractive industries; and**
 - **the protection and rehabilitation of areas affected by mining activities**
- **Mining Licence already granted to 2035 with ability to extend for a further 30 years**
- **Extensive surface drilling campaign of 69 drillholes for ~13,800m also approved**
- **Approval significantly de-risks project as Variscan executes Explorer-Producer Strategy to Mine Restart**

Variscan Mines Limited (ASX:VAR) (“Variscan” or “the Company”) is pleased to announce that it has received official approval from the Government of Cantabria (Consejería de Industria, Empleo, Innovación y Comercio and Directorate General de Industria, Energía y Minas) of its Restoration Plan over the granted Mining Licences for the San Jose and Udias Mines, which form a central part of the Novales-Udias Project in Cantabria, northern Spain.

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

“The approval of the Restoration Plan over the existing Mining Licences is a major milestone for the Novales-Udias Zinc Project’s advancement.

With granted Mining Licences in hand, together with the approved Restoration Plan, Variscan has an extremely de-risked project. We have clear and unambiguous permitting approval to proceed to exploitation and recommencing mine production. This is a very important and value accretive development milestone at one of the highest-grade, development stage zinc deposits in Europe, which is continuing to make good progress towards re-starting production.

Our next key deliverable is publication of the Mine ReStart (Scoping Study) which will deliver a realistic plan for early cash-flow from small scale production, re-positioning Variscan as cash-flow generating zinc producer, to sustainably fund ramp-up production growth and exploit exploration upside as well as the overall development of our project portfolio.

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This permit has been a substantial piece of work, achieved as a collaborative outcome with the Government of Cantabria. We have a highly valued, constructive working relationship with the authorities of the Government of Cantabria. I am grateful for their trust as well as that of the local communities. In our experience, Cantabria is an excellent operating jurisdiction and the Government are demonstrably enacting their publicly stated commitment to support the re-start of zinc mining in the region”.

Approval of Restoration Plan

A Restoration Plan is a key approval required for the operation of an Exploitation (Mining) Licence, relating to the rehabilitation of the areas affected by mining activities and the management of the mining waste.

The request for authorisation of a new Restoration Plan was made by the Company’s local subsidiary, Variscan Cantabria SL (“**Variscan Cantabria**”) over its existing Mining Licence areas held and shown in Figure 1. The process has been carried out in accordance with the provisions of Royal Decree 975/2009 (see below for further details) which requires the competent environmental authority (General Directorate of Environment and Climate Change) to issue a mandatory report prior to its authorisation.

The General Directorate of Environment and Climate Change has approved the Restoration Plan over the Mining Licences and states that the environmental measures proposed by Variscan Cantabria and organizations consulted, as well as those of the Directorate are accepted. Compliance with various environmental requirements, which are normal for all mining operations, are also included in their report.

The report concluded, *“No impacts on protected natural areas, habitats of community interest, the socioeconomic environment, or cultural heritage are anticipated. Impacts on the climate, atmosphere, flora, and fauna are considered minor and therefore not significant. To avoid potential significant impacts on hydrology and hydrogeology, the conditions and recommendations contained in the reports issued by the Cantabrian Hydrographic Confederation must be strictly adhered to.”* With the Restoration Plan approved these requirements, typical for all mining operations, can now be advanced.

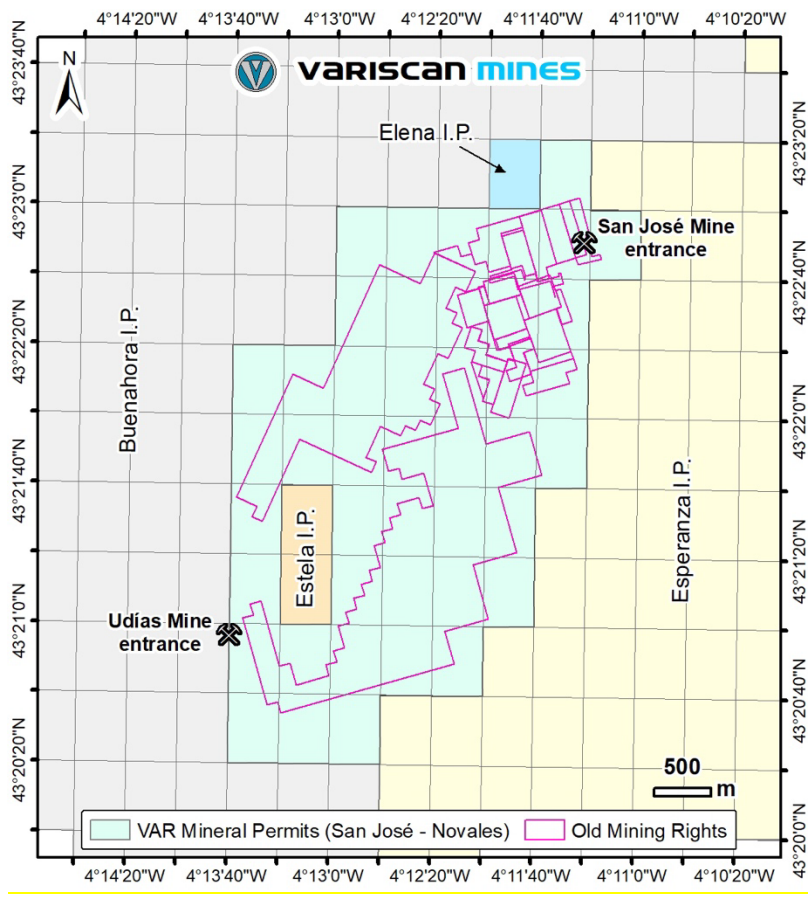


Figure 1. Mining Licence areas over which the Restoration Plan has been approved

The scope of the Restoration Plan extends until the expiry of the Exploitation (Mining) concession, that is, until 2035. An extension of the concession for a further 30 years is permissible. The restoration measures will be implemented from the beginning of the works until the final closure of the operation.

Exploitation Concessions in place

Under Spanish Law, an Exploitation Concession is granted for a 30 year period and may be extended for two further periods of 30 years each, up to a maximum of 90 years. On 12 June 2005, the competent mining authority authorised, based on the submitted exploitation plan, the first extension of the exploitation concession for a period of 30 years, therefore as a minimum, a further extension of 30 years will be possible.

Surface Drilling Approved

The scope of the Restoration Plan was expanded to include an extensive surface drilling campaign over the Mining Licence areas with 69 diamond drillholes for approximately 13,800m being approved.

The high priority drillholes are located on the Novales Trend:

- stepping out laterally from the existing Mineral Resource Estimate (“MRE”) around the San Jose Mine and;
- extending on-trend in NNE direction to link up with mineralized zones outside of the MRE and small mine workings around Brincia and Emilia which have known positive historical drilling results and geochemical results recorded.

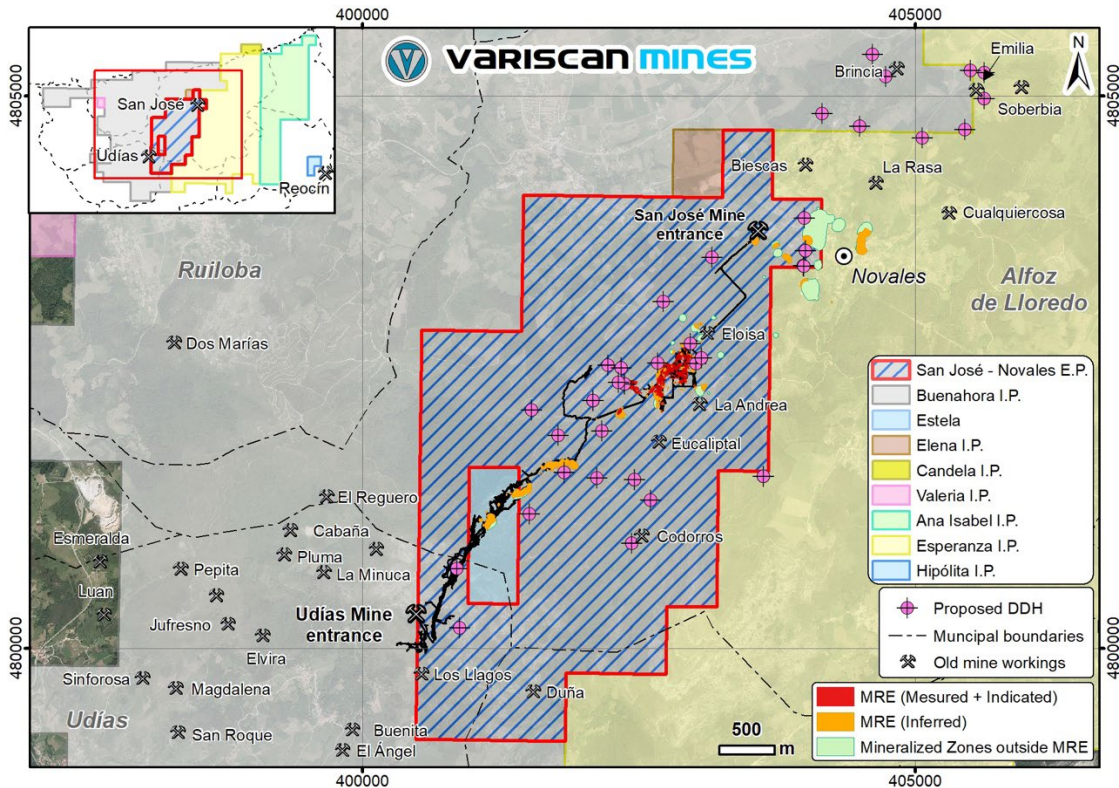


Figure 2. High priority surface drillhole locations permitted

The drilling is designed to test targets in the zinc-rich dolostone Reocin Formation which is known to host the ore bodies defined in and around the San Jose and Udías Mines (see Figure 3).

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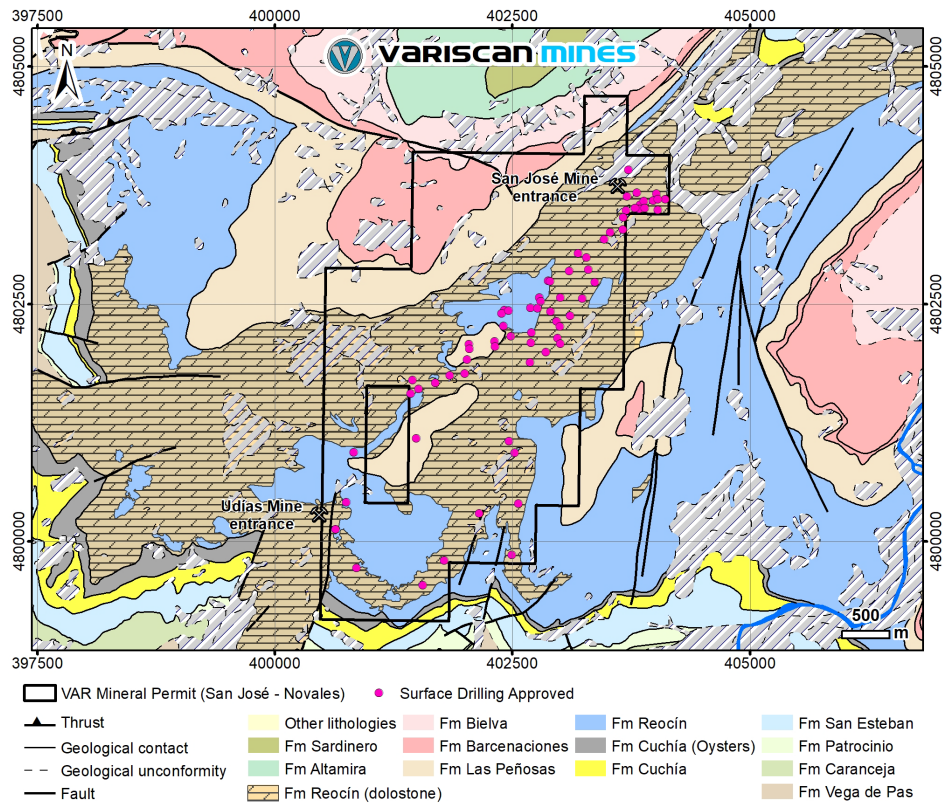


Figure 3. Surface drillhole locations permitted targeting zinc-rich dolostone Reocin Formation

Next Steps & Way Forward

The San Jose/Novales-Udías Project continues to progress, with the following 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

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/ed83cb>

Or scan the QR code.

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About Variscan Mines Limited (ASX:VAR)






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

 <p>Zinc Focused</p> <p>Structural opportunity to supply local markets as demand driven by energy transition tailwinds</p>	 <p>Proven Assets</p> <p>San Jose & Udias Mines have proven track record of high-grade zinc production</p>	 <p>Ready for Mine Re-Start</p> <p>Near term production opportunity for cashflow to sustainably fund ramp-up growth and exploration upside</p>
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Delivery

 <p>1</p> <p>Near Term Production</p>	 <p>2</p> <p>District Scale Exploration</p>	 <p>3</p> <p>Selective & Accretive M&A</p>
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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 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 Spain¹ and one of the world's richest MVT deposits². 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 tenements³.

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 2024⁴
- 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^{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% Zn⁷ with super high grade 'bolsas' (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn⁸
- 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

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)

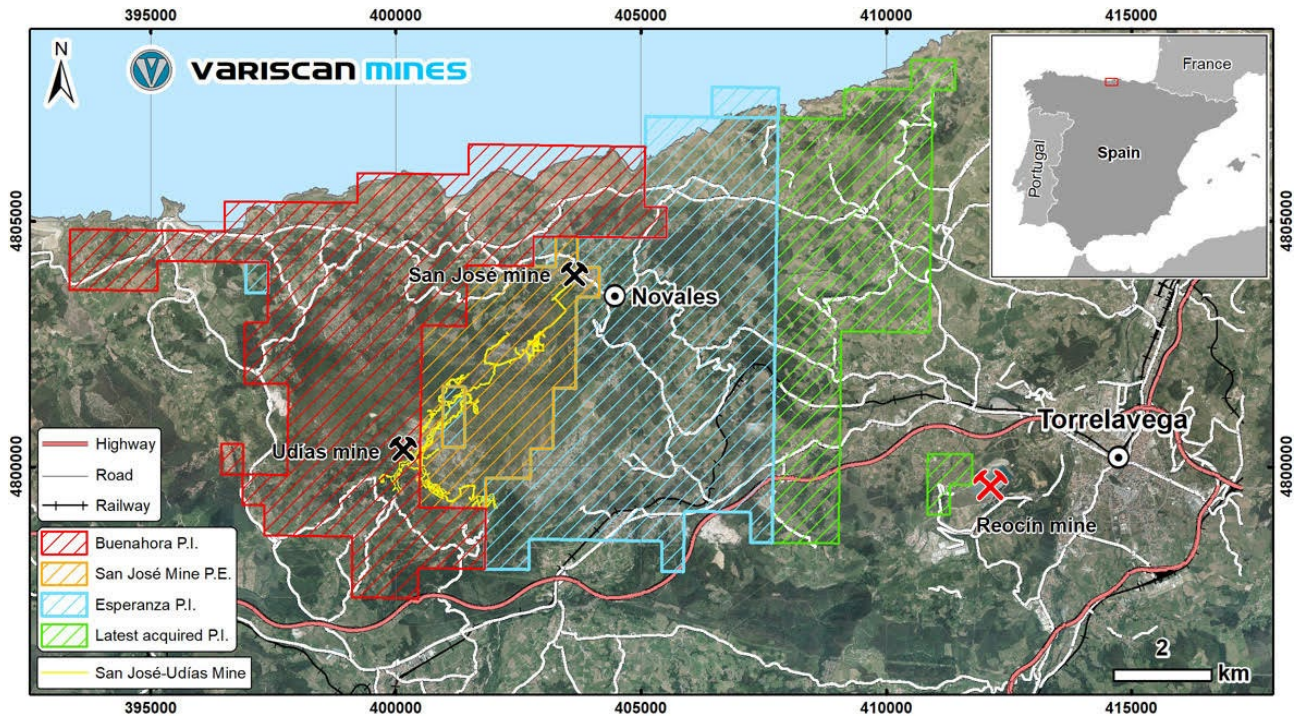


Figure 4. Map of Novalles-Udias Project Licence Areas

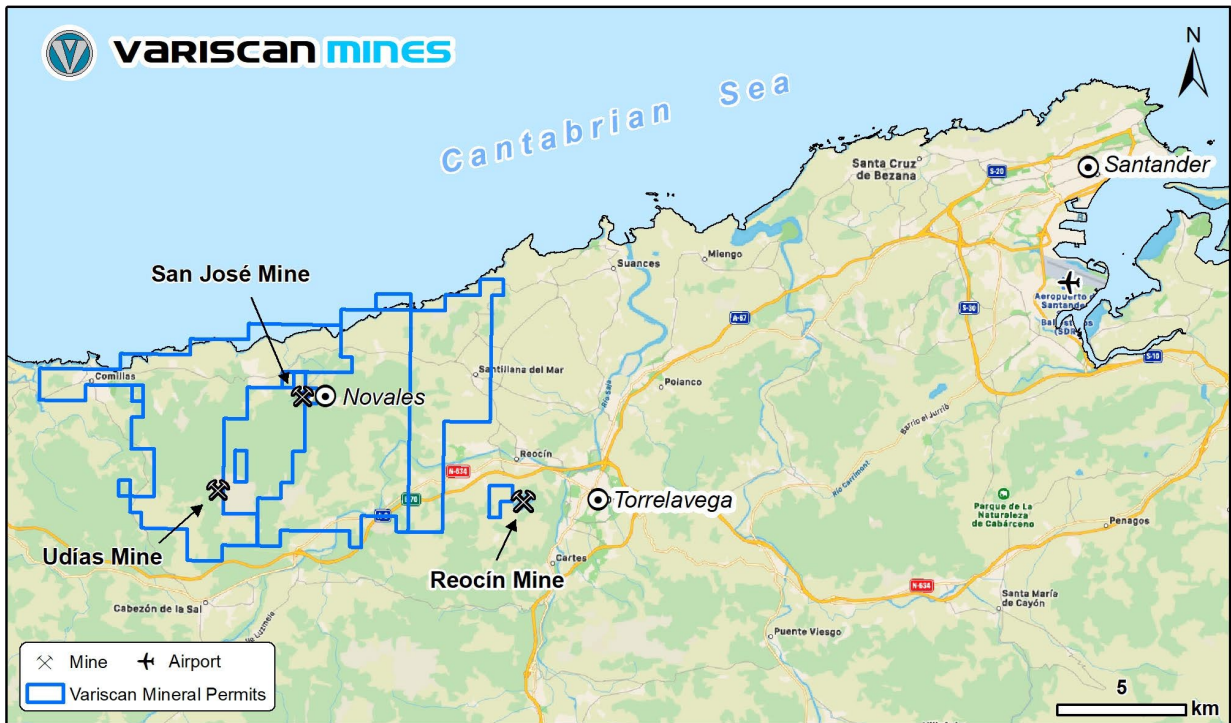


Figure 5. Map of Novalles-Udias Project Licence Areas and local infrastructure

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

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

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.