

## Update on Callabonna Project Following Chalice Earn-In Agreement with Red Metal

### Highlights

- **Variscan holds a 49% interest in EL6318 within the Callabonna Project in South Australia.**
- **Chalice Mining to earn into Red Metal's interest in EL6318 through exploration expenditure.**
- **Variscan's 49% interest and rights under the existing HOA remain unchanged.**
- **Earn-in includes a minimum commitment of two basement drill tests within the first 12 months.**
- **Chalice involvement expected to accelerate exploration of large IOCG targets at Callabonna.**

**Variscan Mines Limited (ASX:VAR) ("Variscan" or the "Company")** refers to the announcement by Red Metal Limited (ASX:RDM) regarding the execution of joint venture term sheets with Chalice Mining Limited (ASX: CHN) in relation to exploration licences within the Callabonna Project in South Australia.

Variscan holds a 49% interest in Exploration Licence EL6318, which forms part of the Callabonna Project located on the Northern margin of the Curnamona Province in South Australia.

The Company notes that under the proposed earn-in agreement, Chalice Mining may earn an interest in Red Metal's rights within EL6318 by funding exploration activities on the tenement over the coming years, including a minimum commitment of two basement drill tests within the first 12 months.

Variscan's 49% interest in EL6318 remains unchanged as a result of the proposed transaction. The Company also confirms that its rights under the existing Heads of Agreement (**HOA**) with Red Metal remain unaffected by the terms of the new arrangement between Red Metal and Chalice Mining. Variscan welcomes the involvement of Chalice Mining and the additional exploration funding and technical capability that its participation may bring to the project. The Company looks forward to the advancement of exploration activities at Callabonna, including planned basement drilling targeting large geophysical anomalies considered prospective for Iron Oxide Copper-Gold (IOCG) mineralisation.

The proposed arrangement between Red Metal and Chalice Mining is conditional upon Variscan's consent under the existing HOA.

Variscan will continue to keep shareholders informed of any material developments relating to the Callabonna Project.

For personal use only

**ENDS**

*This ASX announcement has been approved by the Board and authorised for issue by Mr Stewart Dickson, Managing Director and CEO, Variscan Mines Limited*

**For further information, please contact:**

**Variscan Mines Limited (ASX:VAR)**

**Stewart Dickson**

Managing Director & CEO

E: [stewart.dickson@variscan.com.au](mailto:stewart.dickson@variscan.com.au)

T: +44 (0) 7799 694195

**Media & Investor Enquiries**

**Jane Morgan Management**

Chloe Hayes

E: [chloe@janemorganmanagement.com.au](mailto:chloe@janemorganmanagement.com.au)

P: + 61 (0) 458 619317

**About Variscan Mines Limited (ASX:VAR)**

Variscan Mines Limited (ASX:VAR) is a growth oriented, natural resources company focused on the acquisition, exploration and development of high-quality strategic mineral projects. The Company has compiled a portfolio of high-impact base-metal interests in Spain and Australia. Its primary focus is the development of its advanced zinc projects in Spain. The Company's name is derived from the Variscan orogeny, which was a geologic mountain building event caused by Late Paleozoic continental collision between Euramerica (Laurussia) and Gondwana to form the supercontinent of Pangea.

To learn more, please visit: [www.variscan.com.au](http://www.variscan.com.au)

**For more information**



Follow us on [LinkedIn](#)



Follow us on [Twitter](#)



Visit our investor website: [www.variscan.com.au](http://www.variscan.com.au)