



## **STRUCTURAL SURVEY IDENTIFIES NEW ADDITIONAL DRILL TARGETS AT SAN JOSE MINE**

### **Highlights**

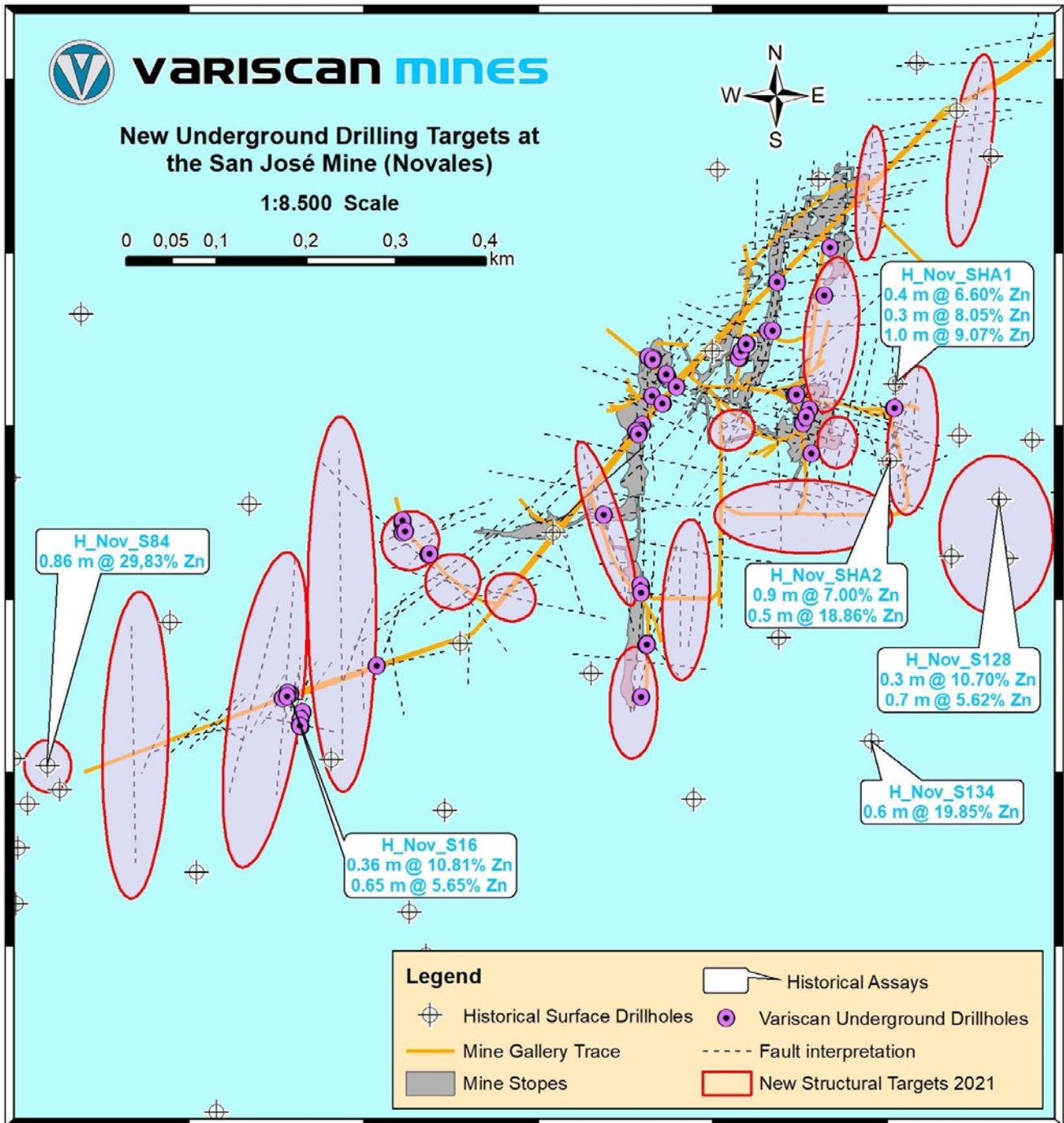
- **Variscan has conducted a structural mapping survey at the San Jose Mine, with 320 faults and 31 thrusts measured**
- **Results have:**
  - **constrained and delineated the structural controls on zinc mineralization**
  - **identified 18 additional infill and step-out drill targets**
  - **confirmed existing drill targets**
  - **highlighted regional potential for further undeveloped zinc mineralization along the 9km NE-orientated Novales-Udias Trend as well as sub-parallel trends to explore**
- **Follow up underground drilling campaign expected to start shortly**

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

*“While preparing for the next phase of underground drilling, we’ve advanced our understanding of the geological structure, its applicability and relevance to mineralization, as well as refining orientations for new drill targets. This work is a valuable tool with application at the San Jose Mine as well as regional exploration.*”

*The results of the fieldwork and analysis have generated multiple drill-ready exploration targets, supported by the evaluation of available datasets including our substantial historical drilling archive. There is a significant opportunity for discovery drilling in this large brownfield environment with highly prospective areas along strike and along parallel trends. Further we know from our recent drilling success the depth of old producing mines in this area have been untested. All of this combines to reaffirm the considerable scale potential of the Novales-Udias project, centred on the San Jose Mine”.*

**Figure 1. Plan view of the San Jose Mine illustrating new drilling targets**  
 (Also showing historic surface drilling assays refer ASX - 3 February 2020 and 6 April 2021)



Variscan Mines Limited (“**Variscan**” or the “**Company**” or the “**Group**”) (ASX:VAR) is pleased to present new drilling targets for inclusion in the next phase of underground drilling at the San Jose Mine in northern Spain having been identified from the results of structural geological fieldwork conducted in association with Consulting de Geologia y Minería, S.L.

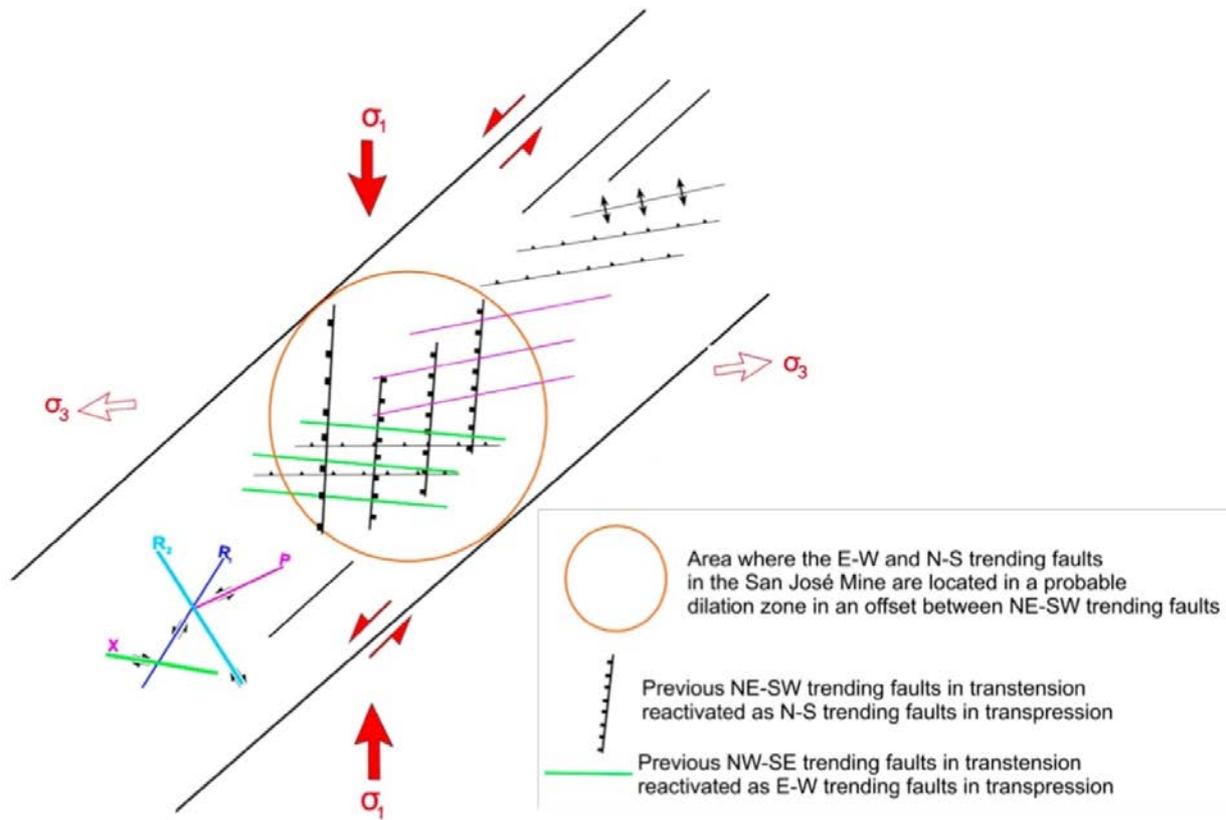
## Key Findings & Activities

- New structural model confirms the existence of a series of elongated extensional zones trending NE, including the primary 9km NE-orientated Novales-Udias Trend
- This dilational feature was the ideal location for the ingress of mineralized fluids along faults and lateral replacement of favourable dolomitic horizons
- Areas of greater fault density (especially in the Central Zone) are accompanied by rheological changes within the dolomite (areas that are more brittle and can crack more easily creating open space) and these relate to zones of high-grade mineralisation. This is evident over short distances where grade is highest and evidences faults primarily controlling ore.
- Areas of intense faulting, fault intersections and/or where they experience change (e.g. direction/dip/convergence) are potential targets for pods or lenses of high-grade mineralisation. Many such places have been overlooked by historical mining.
- Primary structural controls typical of a classical MVT style zinc deposit
- Observation of NE and E-W orientated structural directions highlighting the probability of discovering new lenticular extensions in additional to the established N-S orientated stopes
- Identified multiple new drill targets validated by high-grade zinc intersections from historical surface drilling
- Next drilling campaign expected to start shortly

## Exploration Potential

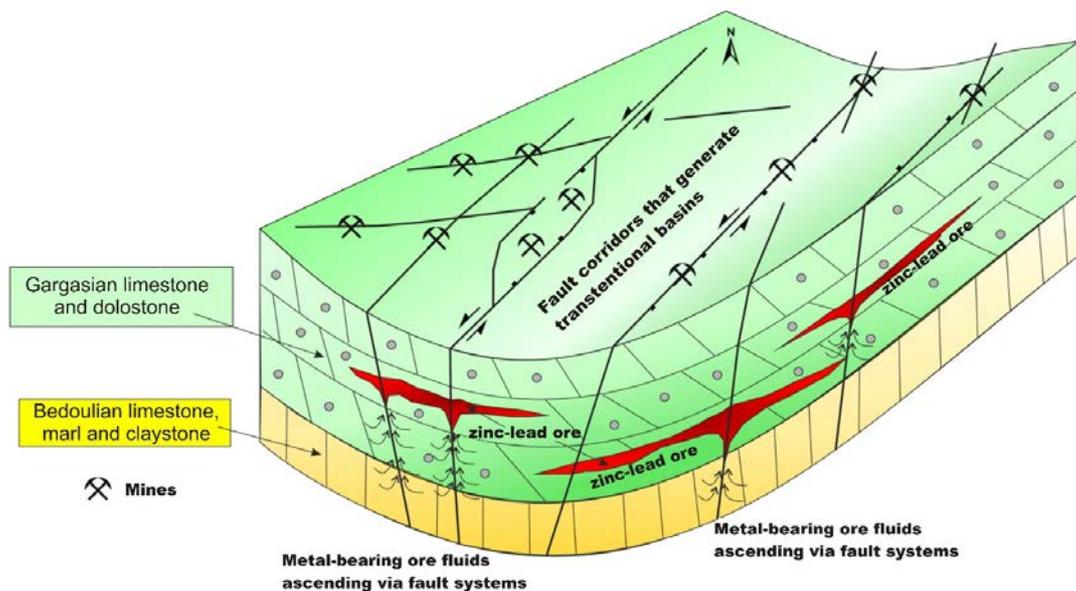
- Variscan can use the fault geometry and their periodicity to predict new zones of high-grade mineralisation
- Determining a fault-intensity factor will be useful to be applied over the regional licence areas as a tool for targeting new areas of zinc mineralization
- Drill testing of new targets identified

**Figure 2. Simplified interpretation of structural controls on zinc mineralisation at the San Jose Mine**



Source: adapted from Consulting de Geologia y Minería, S.L.

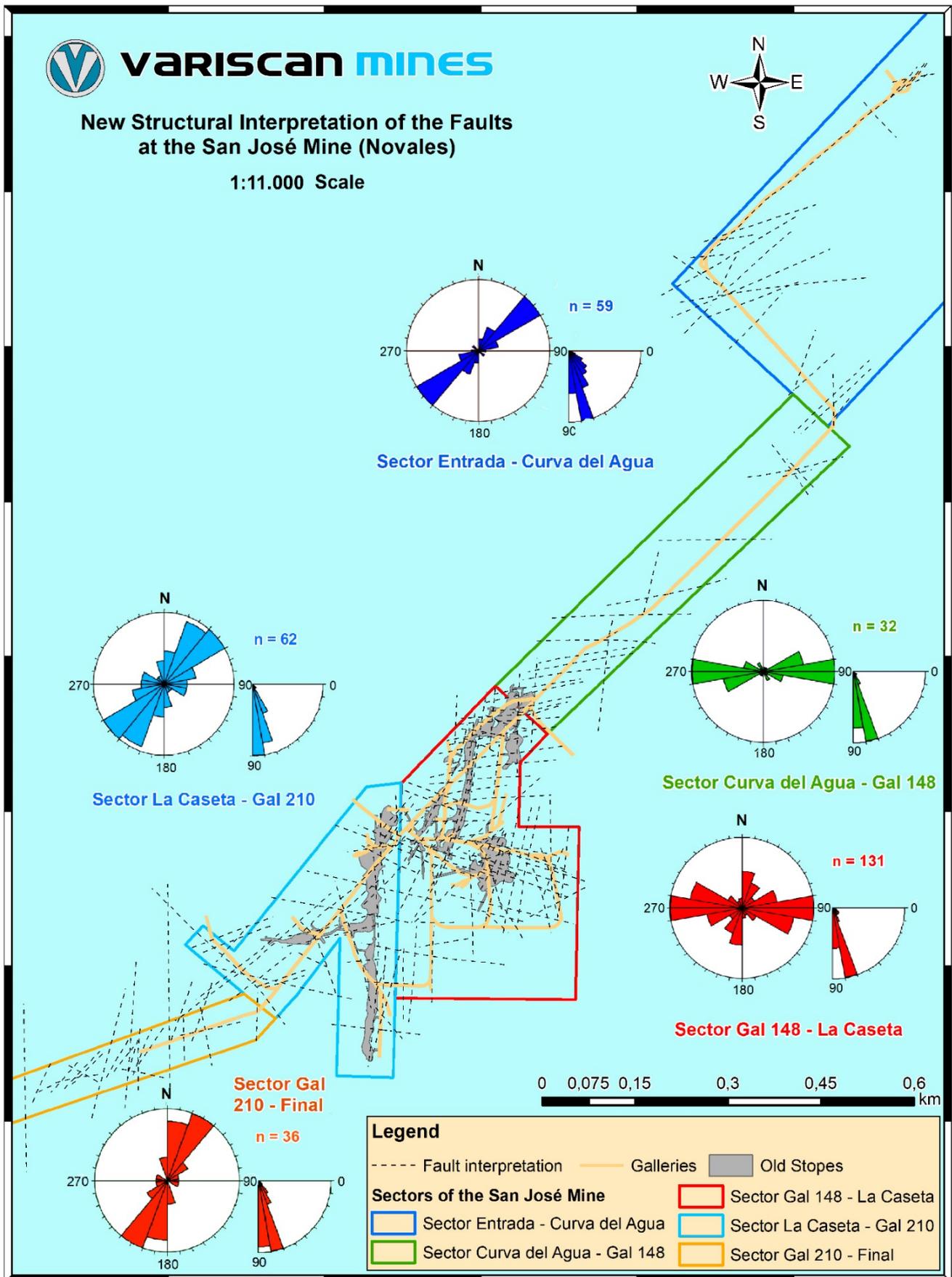
**Figure 3. Conceptual model of zinc mineralization development in the Novales-Udias project**



Not up to scale

Source: adapted from Consulting de Geologia y Minería, S.L.

**Figure 4. Structural interpretation of faults at the San Jose Mine**



Source: adapted from Consulting de Geología y Minería, S.L.

## Looking Ahead

The Company's immediate focus is progressing with the following key activities:

- Receiving and interpreting assay results from drilling at the South West Zone of the San Jose Mine
- Receiving and interpreting assay results from sampling of surface drill targets over the Guajaraz Project in Castilla La Mancha
- Underground drilling in Q3 2021
- Surface drilling permitting application pending

### ENDS

*This announcement has been authorised for issue by Mr Stewart Dickson, Managing Director & CEO, Variscan Mines Limited.*

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## Notes

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, Chile and Australia.

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.

## 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 Spain<sup>1</sup> and one of the world's richest MVT deposits<sup>2</sup>. 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 tenements<sup>3</sup>.

### *Novales-Udias Project Highlights*

- Near term zinc production opportunity (subject to positive exploratory work)
- Large tenement holding of 68.3 km<sup>2</sup> (including a number of granted mining tenements)
- Regional exploration potential for another discovery analogous to Reocin (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb<sup>45</sup>)
- Novales Mine is within trucking distance (~ 80km) from the zinc smelter in Asturias
- Classic MVT carbonate hosted Zn-Pb deposits
- Historic production of high-grade zinc; average grade reported as ~7% Zn<sup>6</sup>
- Simple mineralogy of sphalerite – galena – calamine
- Mineralisation is strata-bound, epigenetic, lenticular and sub-horizontal
- Reported historic production of super high grade 'bolsas' (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn<sup>7</sup>
- Assay results of recent targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb<sup>8</sup>
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

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<sup>1</sup> 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.

<sup>2</sup> 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

<sup>3</sup> Refer to ASX announcement of 29 July 2019

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> These figures have been taken from historical production data from the School of Mines in Torrelavega historical archives.

<sup>7</sup> 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)

<sup>8</sup> Refer to ASX Announcement of 19 December 2020

## Competent Person Statement

The information in this document that relates to technical information about the Novales-Udias 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 10 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.

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.