



ASX Code: VAR

ACN: 003 254 395

Issued Shares: 206m

Listed Options: 29.6M

Unlisted Options: 1m

At 31 Mar 2020

Cash Balance: \$2.3M

Listed Investments: \$0.18M

Directors

Dr Foo Fatt Kah

Stewart Dickson

Michael Moore

Simon Fyfe

Company Secretary

Mark Pitts

Top Shareholders

Slipstream Resources Investments
Pty Ltd

Citicorp Nominees Pty Limited

Delphi Untemehmensberatung

Effective Investments Pty Ltd

SL Hisbanibal

Wainidiva Pty Ltd

Top 20 Shareholders: 63.6%

Head Office

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HIGHLIGHTS

- **Substantial dataset comprising over 39,000m of surface and underground historic drilling compiled.**
- **Dataset is an invaluable and cost-effective exploration tool providing a head start for geological and resource modelling.**
- **Dataset contains a number of high-grade zinc intervals of potentially mineable widths.**
- **Local Government and Community relations enhanced.**
- **High quality Exploration Manager with local knowledge and experience appointed to work with local staff. Board changes announced.**
- **Proactive and practical response to COVID-19**

The quarter ended 31 March 2020 (the 'Quarter' or 'Q1') has been busy and progressive.

Variscan's CEO, Stewart Dickson said, "We have moved quickly and efficiently to ensure we continue to build towards the next phase of project development.

We have compiled a substantial dataset comprising over 39,000m of surface and underground historic drilling. This is invaluable as a cost-effective exploration tool and provides a head start for geological and resource modelling. The data contains a number of high-grade zinc intervals of potentially mineable widths. This is delivering momentum to our stated strategy of exploring the early production potential at the Novales Mine as well as delineating a significant mineral resource over the wider, prospective land package which hosts multiple historic workings.

The Company has taken appropriate steps to ensure that the safety of our employees and assets is assured. Variscan is supportive of the action being taken by the Spanish national and regional authorities to address the threat of COVID-19.

It is my and the Boards priority to take advantage of the transformational opportunity the Novales-Udias and Guajaraz zinc projects present to Variscan such that we can achieve our strategic ambition of having base metal operations of scale. We will also position the Company for further value accretive acquisitions should suitable opportunities arise."

OPERATIONS

Spain (Cantabria) – Novales-Udias and Guajaraz Zinc Assets

During the Quarter, Variscan advanced with the collation of a very valuable dataset of historic drilling results. The dataset now comprises 267 underground drill-hole collars, for approximately 20,280m and 102 surface drill-hole collars, totalling approximately 18,780m.

This substantial historic drilling dataset will be used to advance the understanding of the scale and quality of the mineralisation over the tenement areas. Variscan's 2-fold strategy of identifying near term production opportunities at Novales and mineral resource delineation remains unchanged.

Key high grade zinc intercepts illustrating the grade potential of the mineralisation at Novales are shown below.

From the surface drill-hole database:

- **Novales – San Jose**
 - 21.00m @ 5.40% Zn from 108.00m, including 6.00m @ 21.00% Zn
- **Novales – Andrea**
 - 3.00m @ 8.50% Zn from 131.00m
 - 0.60m @ 19.85% Zn from 77.00m
- **Pozo Plomo**
 - 2.75m @ 19.50% Zn from 38.40m
- **Zanjones de Brinia**
 - 1.52m @ 30.89% Zn from 11.65m

From the underground drill-hole database at Novales:

- | | | |
|-----------------------|--------------|---------------------------|
| • 8.40m @ 26.75% Zn | from 15.20m | Hole ID 177-140/72 |
| • 6.30m @ 29.89% Zn | from 46.50m | Hole ID 177-9SE-97/67 |
| • 7.05m @ 22.83% Zn | from 1.95m | Hole ID 177-140/61 |
| • 5.90m @ 26.60% Zn | from 2.00m | Hole ID 177-110/50 |
| • 6.50m @ 24.00% Zn | from 85.50m | Hole ID 167-3S-6E-185/89 |
| • 4.00m @ 32.79% Zn | from 71.50m | Hole ID 167-3S-6E-188/6 |
| • 4.00m @ 30.96% Zn | from 6.50m | Hole ID 177-140/100 |
| • 12.90m @ 25.11 % Zn | from 16.10m | Hole ID 167-11-213/83 |
| • 11.00m @ 21.64 % Zn | from 135.50m | Hole ID 451 |
| • 9.00m @ 21.60 % Zn | from 147.50m | Hole ID 451 |
| • 6.00m @ 25.63 % Zn | from 65.50m | Hole ID 148-3SE-299/81 |
| • 6.00m @ 22.44 % Zn | from 6.00m | Hole ID 162-240/50 |
| • 3.25m @ 28.09 % Zn | from 32.25m | Hole ID 168-240/50 |
| • 21.60m @ 22.40 % Zn | from 29.00m | Hole ID 178-240/100 |
| • 2.20m @ 36.15 % Zn | from 21.80m | Hole ID 178-340/50 |
| • 3.00m @ 20.40 % Zn | from 0.00m | Hole ID 397 |
| • 2.50m @ 24.46 % Zn | from 28.00m | Hole ID 177-23E-6S-234/65 |
| • 1.90m @ 25.12 % Zn | from 59.50m | Hole ID 177-9E-191/50 |

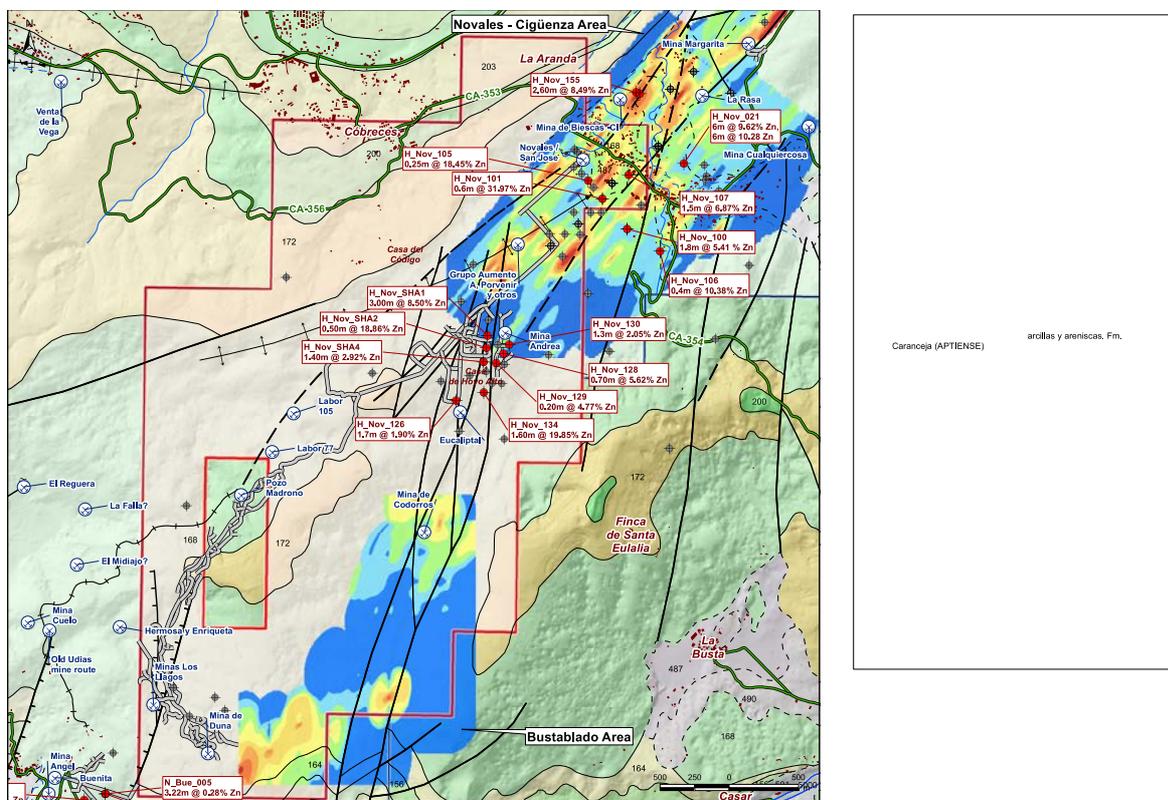
Historic results from Surface Drilling

In total Variscan have identified historic records of 102 surface drill-holes for a total of 18,780m across the Novales and Buenahora licences¹.

High-grade zinc intersections from historic drilling results

38 of the 102 historic drillholes reported Zinc mineralisation, with high-grade intersections reported both from prospects located along the 7km Novales trend of historic underground workings (including Novales-San Jo-e, Novales-Andrea and Novales Biesces – see Figure 1) and prospects within the historic Udias mining area (including Zanjones de Brinia and Pozo Plomo – see Figure 2).

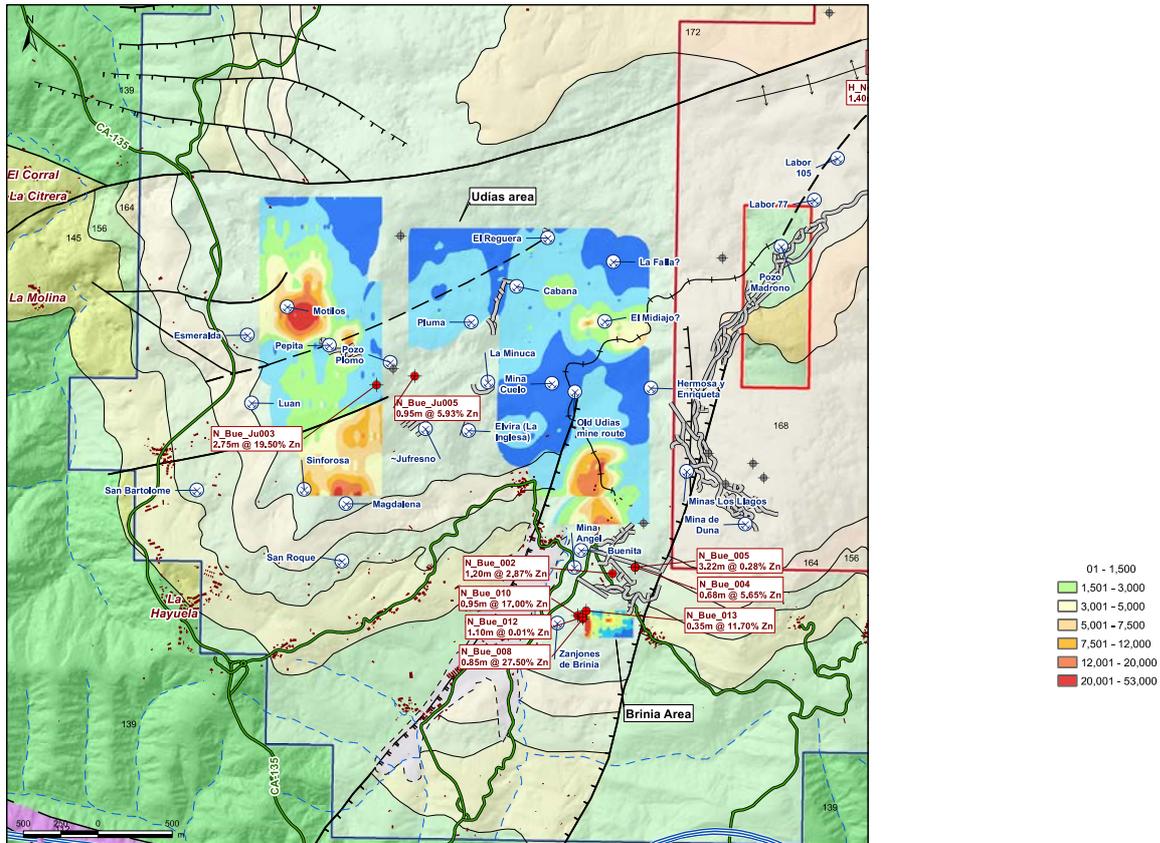
Figure 1. Historic surface drilling in East of Novales-Udías Project (predominantly on Novales Trend and around the San Jose – Novales Mine)



Note: Historic drill-holes which include intercepts grading over 2% Zn are indicated with red symbols. Historic drill holes that report intercepts under 2% Zn or are barren are indicated by grey symbols. Significant drillhole intercepts over distinct intervals are annotated

¹ Cautionary Statement. The historic drill-hole data reported has been collated from historic records held at the School of Mines in Torrelavega. Variscan note that original data and procedures have not been identified, and some of the reported data is incomplete. As such, Variscan intend to use the historic drilling primarily to guide further exploration, including the design of the upcoming scout drilling programme. Further details on the data can be found in the ASX release on 3 February 2020. Variscan notes that some historic drilling was undertaken prior to the cessation of mining activities.

Figure 2. Historic surface drilling in West of Novales-Udias Project (predominantly on priority targets around Udias in the Buenahora licence)

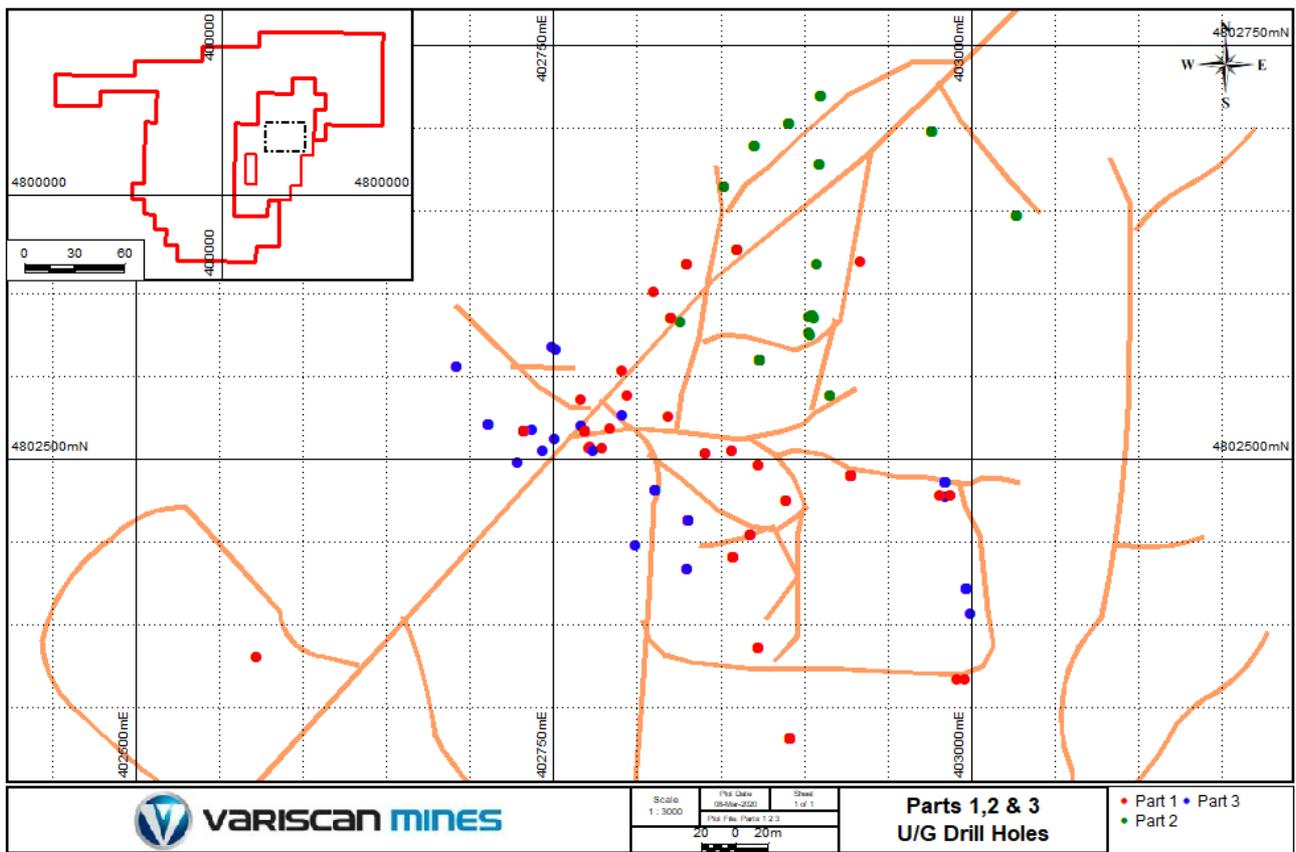


Note: Historic drill-holes which include intercepts grading over 2% Zn are indicated with red symbols. Historic drill holes that report intercepts under 2% Zn or are barren are indicated by grey symbols. Significant drillhole intercepts over distinct intervals are annotated.

High-grade zinc intersections from historic underground drilling results

The collar locations of the drill-holes from historic underground drilling have been plotted in Figure 3 (refer ASX Announcements 1 April 2020, 16 March 2020 and 3 March 2020). Figure 4 illustrates the fan drilling nature of many of the underground drill-holes.

Figure 3. Historic underground drill-holes situated at the Novales-Andrea mine



Note: Drill-hole collar locations for 66 historic underground drill-holes (blue) announced on 1 April 2020, 71 historic underground drill-holes announced on 16 March 2020 (green) and 130 historic underground drill-holes announced on 3 March 2020 (red). Approximate trace of adits is shown in brown. Note that this Novales-Andrea area has been mined in the past and to date no depletion model has been undertaken to identify mineralisation left in-situ.

Summary statistics of the total count of mineralised intervals are presented by grade cut-off in Table 1, (refer ASX Announcements 1 April 2020, 16 March 2020 and 3 March 2020) which also includes total counts of composite intersections by grade calculated with maximum internal waste of 2m.

Table 1. Frequency of mineralised intersections distributed by cut-off grades & downhole width

Cut-Off Intersection Grade	Cut-Off Intersection Width	No. of Intersections
0.001% Zn	Nil	836
2% Zn	Nil	625
4% Zn	Nil	572
6% Zn	Nil	492
8% Zn	Nil	408
10% Zn	Nil	369
>8% Zn	Maximum 2m internal waste	285
>10% Zn	Maximum 2m internal waste	169
>20% Zn	Maximum 2m internal waste	70

Note: Assay intervals were composited, incorporating a minimum width of 2 metres and maximum internal waste of 2 metres, using a trigger value of 2% Zn. Assay data is based on historic reports and drill logs and subject to verification. Drill traces (dip and azimuth) are yet to be verified and may be subject to change.

Table 2 details selected drill hole intercepts from Table 1 using a 20% Zn cut-off grade, trigger value of 2% Zn with a maximum internal waste of 2m. Full assay details and collar details are provided in the appendices of this announcement.

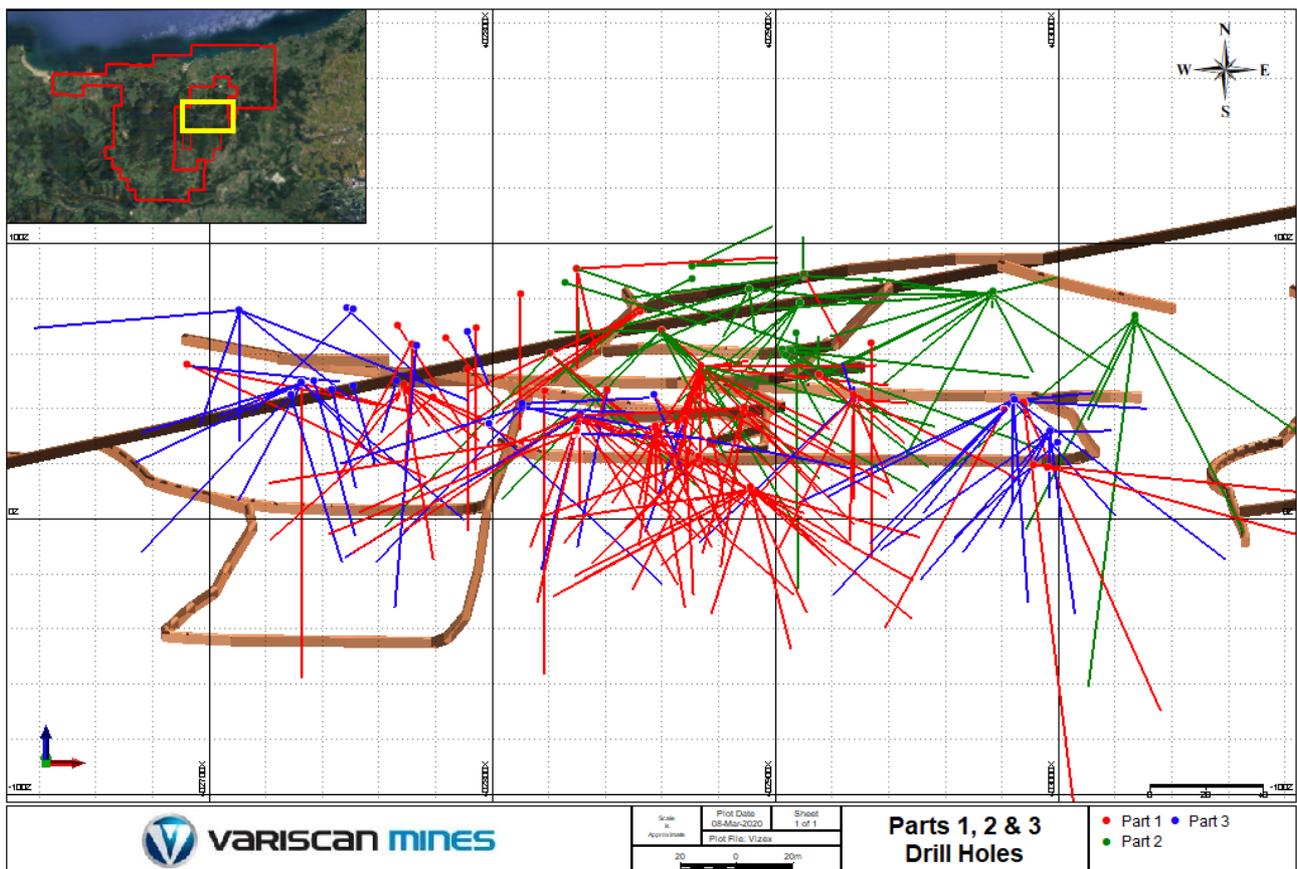
Table 2. Selected Mineralised intercept composites from historic underground drilling campaigns

Drill Hole ID	From (m)	To (m)	Interval (m)	Pb %	Zn %
397	0.00	3.00	3.00	0.50	20.40
397	6.35	8.00	1.65	0.82	20.70
404	12.70	13.95	1.25	0.29	29.70
177-23E-6S-234/50	31.00	32.00	1.00	2.64	27.56
177-23E-6S-234/65	28.00	30.50	2.50	4.68	24.46
177-7SE-240/50	61.25	63.50	2.25	4.23	21.94
177-9E-191/50	59.50	61.40	1.90	1.89	25.12
177-9SE-97/80	58.50	62.00	3.50	2.93	21.59
177-9SE-97/80	64.00	65.00	1.00	0.26	23.09
178-240/100	29.00	50.60	21.60	5.50	22.40
178-240/72	28.30	31.90	3.60	6.50	23.90
178-340/50	21.80	24.00	2.20	0.06	36.15
178-40/50	19.50	21.30	1.80	0.42	22.35

Note: Interval widths reported are the downhole length and are unlikely to reflect true widths owing to the mineralisation style at the project. Full assay details are provided as an appendix to this announcement. The 21.60 m interval from drill-hole 178-240/100 is considered to have been drilled through the mineralised body, rather than across it.

The reported historic underground drill-holes with corresponding zinc grades have been projected into 3D with an approximate trace of the underground adits which illustrates the distribution of zinc mineralisation at the Novales-Andrea underground mine at the time of drilling (Figure 4).

Figure 4. Historic underground drilling projection in 3D



Note: Approximate trace of adits is shown in brown, traces are colour coded; 66 historic underground drillholes announced on 1 April 2020 reported in blue, 71 historic underground drill-holes announced on 16 March 2020 (green) and 130 historic underground drill-holes announced on 3 March 2020 (red). Note that the Novales-Andrea area has been mined in the past and to date no depletion model has been undertaken to identify mineralisation left in-situ. Drill traces (dip and azimuth) are yet to be verified and may be subject to change.

Key findings from the underground drill-hole database include:

- Historic high-grade intercepts demonstrate the grade potential of mineralisation on the Novales Trend, with high grade composites demonstrating mineralisation over potentially mineable widths
- Significant results will be further explored to identify mineralisation left in situ at Novales-Andrea and develop exploration plans accordingly
- Data supports the ongoing development of the geological model at Novales and will form the basis for the development of Exploration Targets in accordance with JORC 2012
- Review and analysis of additional historic underground drill-hole data and mining plans both at and along strike from the Novales-Andrea area are underway.

Historic Underground Drilling campaigns - Novales

The underground drill-holes reported here are located on the 7km Novales Trend which include the Novales-San Jose, Novales-Andrea and Novales-Biesces areas.

Variscan recognise that some of the drilling was undertaken prior to the cessation of mining activities. As such some of the mineralisation referenced may have been depleted. Variscan are continuing to assess and interpret the historic mining records from these areas in order to ascertain whether these

intersections have been depleted or whether these intersections represent unmined mineralisation which can be further appraised for potential future production. Importantly, an underground survey will be conducted for data location control, to use as a depletion model and improve the accuracy of modelling for delineation of a potential JORC-compliant Exploration Target or JORC-compliant Mineral Resource Estimate.

Data collection programme

Following on from the acquisition of the Novales-Udias and Guajaraz projects, Variscan quickly entered into a Technical Memorandum and a Cooperation Agreement with the School of Mines at the University of Cantabria in Torrelavega in northern Spain (refer ASX Announcement dated 3 October 2019). The Agreement provides access to a large historical archive relating to the Reocín Mine and its surrounding area, known as "Fondo Documental Mina Reocín". The archive is composed of administrative, technical, cartographic, geological and mining documentation covering exploration and mining activity carried out throughout the region from 1981 to 2003, the year of the mine's closure. Reocin Mine (62Mt @ 8.7%Zn, 1%Pb)³ is one of the largest known Zinc-Lead deposits in Europe. The Novales-Udías project is located approximately 10km from the Reocín Mine.

Drilling Data Quality

The drill-hole data was transcribed from documentary records (mainly drilling slips, including hardcopy drill logs) which summarised the key information for each drill-hole. No original supporting drill-hole information, such as procedures, laboratory certificates, or quality control data, has been found. Variscan note that the historic records from which this data is compiled is incomplete.

Next Steps

Variscan will use the historic drilling to guide further exploration. The Company continues to maintain fieldwork and desktop work-streams on the Novales-Udias project. Future activities may include:

Novales Mine

- Development of the geological and mine depletion models;
- Introduction of additional historic underground drill data;
- Digitisation of historic mine plans, underground investigations;
- Underground laser survey is planned, when circumstances permit;
- Development of an Exploration Target in accordance with JORC 2012;
- New underground channel sampling;
- Confirmatory underground geological mapping; and
- Refinement of drill targets to test unmined mineralisation identified.

Udias - Buenahora Exploration Tenement

- Identification of additional mineralisation targets;
- Geological mapping;
- Infill soil sampling;
- Supplementary rock chip sampling; and
- Development of drill target generation and prioritisation for scout drilling.

Other activities

In support of the above activities, Variscan are continuing to develop environmental, social and governance initiatives.

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 Novales 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 which include anomalies up to 2km long and close to 1km wide and up to 17% Zn.

Significantly, the Novales-Udias Project includes a number of granted mining tenements (refer ASX announcement dated 29 July 2019).

Novales-Udias Project Highlights

- Near term zinc production opportunity (subject to positive exploratory work)
- Large tenement holding of 68.3 km² (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^{2,3})
- Novales Mine is within trucking distance (~ 80km) from the Asturias zinc smelter
- Classic MVT carbonate hosted Zn-Pb deposits
- Historic production of high-grade zinc; average grade reported as ~7% Zn⁴
- Simple mineralogy of sphalerite – galena – calamine
- Ore is strata-bound, epigenetic, lenticular and sub-horizontal
- Reported historic production of super high grade ‘bolsas’ (ore bags) commonly 10-20% Zn and in some instances +30% Zn⁵
- Assay results of recent targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb⁶
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

Exploration Manager

During the Quarter the Company appointed Mr Gareth Northam as Exploration Manager for the Company’s two advanced zinc projects in Spain.

Mr Northam holds a MSci in Geology (Earth Resources) from the Royal School of Mines, Imperial College

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: in Econ. Geol. v.98, pp. 1371-1396.

³ 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.

⁴ Anecdotal evidence from original Novales miners interviewed during the WAI Due Diligence supported with historical production data from the School of Mines in Torrelavega historical archives.

⁵ Anecdotal evidence from original Novales miners interviewed during the WAI Due Diligence.

⁶ Refer to ASX Announcement of 19 December 2019

London. He is a Chartered Geologist (Geological Society of London) (CGeol-FGS), Associate of the Royal School of Mines (ARSM), a European Geologist (EurGeol), & member of the Society of Economic Geologists (SEG).

Mr Northam leads all technical aspects of the projects working closely with Variscan's local staff, consultants and contacts in Spain, he speaks fluent Spanish, is resident in Spain and has relocated to Cantabria, northern Spain.

Having begun his career at Rio Tinto, Mr Northam is an accomplished exploration geologist with over 15 years' experience. He has experience across a range of commodities and deposit styles in a range of jurisdictions including Europe, Africa and South America.

Information Meeting held with Mayors in the Novales-Udías region of Cantabria

Variscan's Spanish subsidiary held an information meeting during the quarter, at the City Hall of Ruiloba with the Mayors and representatives of Ruiloba, Alfoz de Lloredo, Udías and Comillas.

The formal meeting with the senior representatives was very well received and provided information about progress of the Novales-Udías Project, as well as to discuss applications for the forthcoming drilling programme planned by Variscan.

Variscan representatives also provided an update on its exploration plan utilising modern, low-impact mineral exploration techniques as well as advanced techniques such as diamond core drilling. Importantly, Variscan set out its Environmental, Social and Governance commitments including its intention to apply best-practice.

The Mayors in attendance were informed of the importance that zinc plays in modern life and its potential contribution to a circular economy including greener forms of energy storage and sustainable construction. Variscan also emphasised its intention to maintain close collaboration and communication with the local City Hall's and their communities.

"Mining and metals are essential to global economic and social development and are connected to almost all industry value chains. There was a clear understanding at the meeting that we respect the local environment and we share a common view of the importance of metals such as zinc to transition to a greener economy", said **Gareth Northam, Exploration Manager**.

Chile – Rosario Copper Project

The Rosario Project is located approximately 120 kilometres by road east of the port city of Chanaral in the Atacama Region of northern Chile. Chile is proven mining jurisdiction and is the largest producer of copper globally. The Rosario project lies about 20 kilometres north of the El Salvador mine (owned by Codelco). It is one of the country's larger copper operations, within a region of dense mining activity (all scales) and good copper endowment.

The Rosario project comprises three granted exploitation concessions, Rosario 6, Rosario 7 and Salvadora, one granted mineral exploration licence (Abandonara) and an exploration concession under application (Rosario 101). These concessions cover two outcropping copper trends (Zones A and B) over a combined strike length of approximately 6 kilometres.

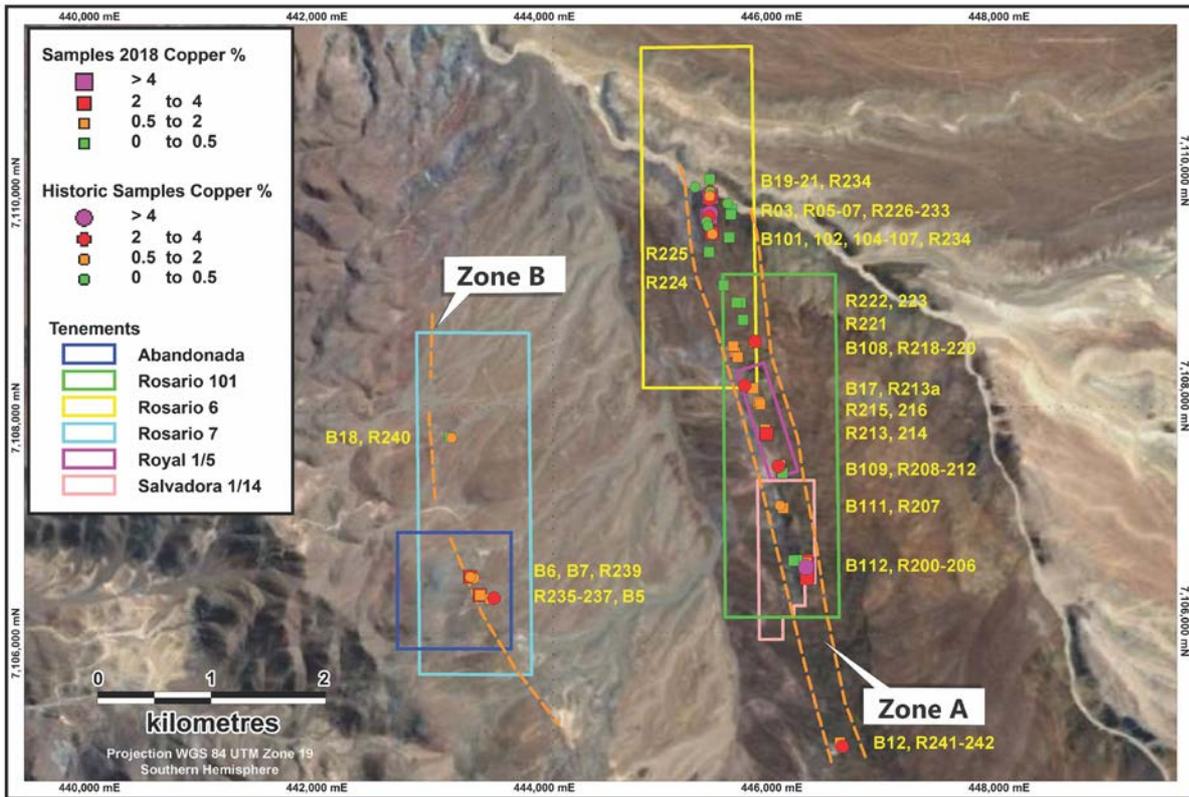


Figure 4. Plan of Rosario licence areas and historic rock Chip & Grab Sampling Results



Figure 5. Location of the Rosario Project

The project area has undergone historic modest informal mining and contains numerous shallow pits in areas of copper-stained outcrops. There are also indications of previous surface sampling and trenching. Site visit inspections also revealed 13 diamond drill holes within the adjacent licences to the Rosario project.

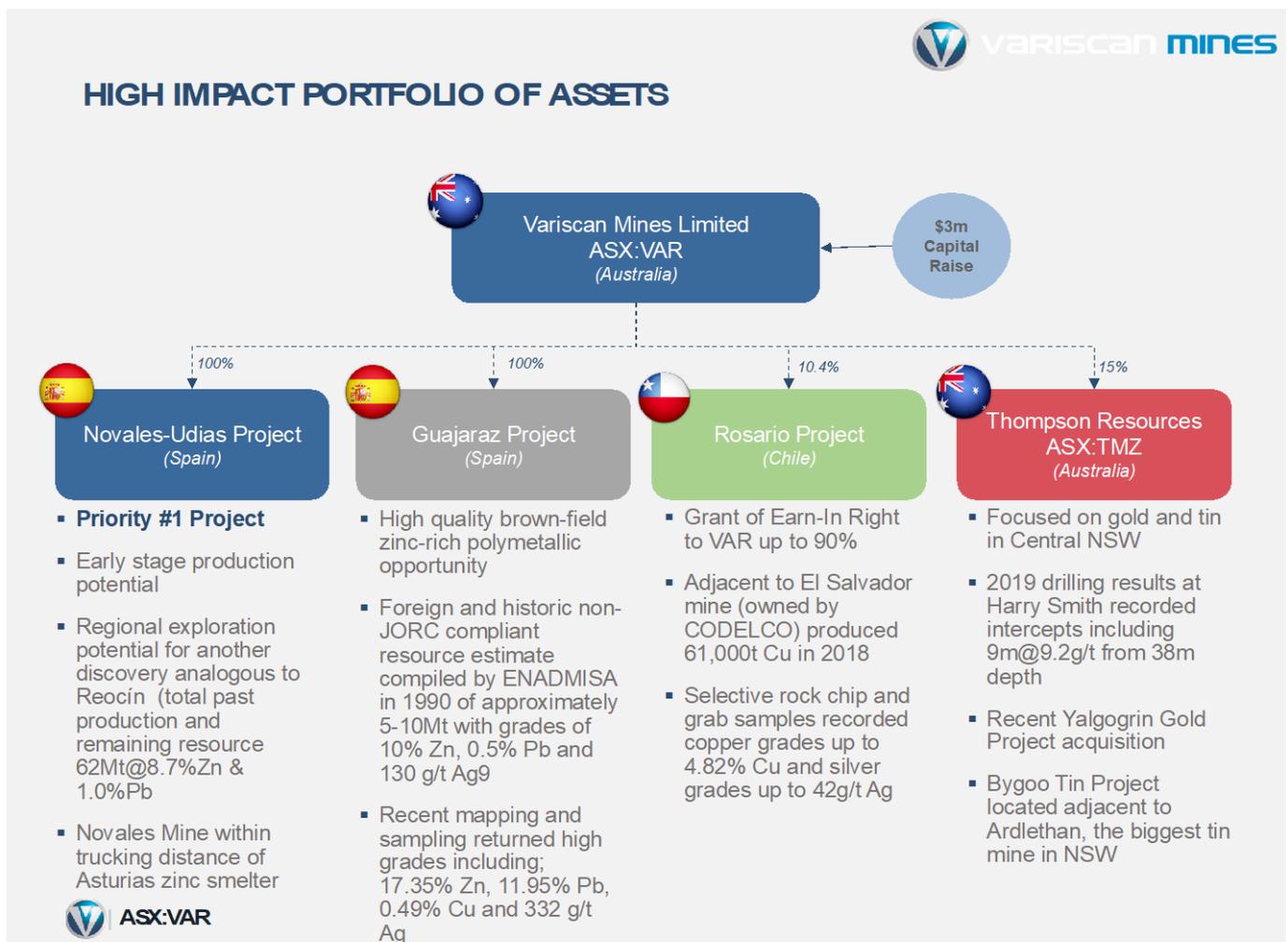
No further work was conducted during the Quarter.

Australia

The Company holds minority interests in a number of areas of eastern and central Australia, as well as a 15.23% holding in Thompson Resources Limited (ASX:TMZ).

Summary of Assets

Variscan has a portfolio of projects in proven mining jurisdictions. There is an unambiguous prioritisation on the Novales-Udias and Guajaraz zinc assets in Spain, however the additional projects provide the potential for further value creation and monetisation where possible.



FINANCIAL & CORPORATE

Cash

Cash at bank at 31 March 2020 was \$2.3 million.

Investments

Variscan holds a significant investment of 18,100,000 shares in Thomson Resources (ASX:TMZ) which has exploration tenements prospective for copper, gold and tin within the Thomson and Lachlan Fold Belts, NSW. As at 31 March 2020, the value of the shareholding was approximately \$0.18 million.

Share Capital

The total number of shares on issue at the end of the quarter was 206,093,551.

Deferred settlement shares

In accordance with the acquisition of the Spanish Zinc projects, 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. There is currently no obligation to issue the milestone shares.

Board Changes

Mr Simon Fyfe was appointed as a Non-Executive Director, effective 30 January 2020. Mr. Fyfe holds a Bachelor of Business and Grad Dip. Applied Finance and Investment. He was formerly CEO of ASX-listed High Peak Royalties Ltd and has served an Executive Director of exploration companies with both on-shore and offshore projects, as well as for an institutional investor and as a director of Australia's largest Lloyd's of London underwriting agency.

Mr. Kwan Chee Seng has stepped back from his role as alternate director to the Company's Chairman, Dr Foo Fatt Kah, having been a director of the Company since February 2009. Kwan Chee Seng remains a significant and long-term supportive shareholder of Variscan.

In addition, Mr Mark Pitts retired from the Board as a Non-Executive Director, however he continues in his role as Company Secretary.

COVID-19

Spain has extended the state of emergency declared in response to the COVID-19 virus. Our project sites are now closed to non-essential visitors and strict social distancing procedures are in place.

The Company has the health and safety of its people is a key priority and is supportive of the action being taken by the Spanish national and regional authorities to address the threat of COVID-19. Variscan has cancelled non-essential site visits and implemented travel restrictions and strict controls on site access. Where possible work continues on the Novales-Udias Project to ensure it is well prepared

to quickly accelerate progress once restrictions are lifted and circumstances allow. Shareholders will be kept closely informed of progress.

Other

During the current Quarter the Company made payments to related parties of \$74,000 represented by remuneration paid to Directors.

ENDS

This announcement has been authorised by Mr Stewart Dickson, Managing Director and CEO of Variscan Mines Limited

Variscan Mines Limited

Stewart Dickson

Managing Director & CEO

info@variscan.com.au

30 April 2020

Background

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.

Competent Persons Statement

Where Company refers to exploration results and historical data previously advised to the ASX it confirms that it is not aware of any new information or data that materially affects the information included in previous announcements and all material assumptions and technical parameters disclosed in those announcements continue to apply and have not materially changed.

Listing of tenements held at 31 March 2020

Tenement	Tenement No.	Interest	Joint Venture Details
SPAIN – Note 5			
<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%	

Tenement	Tenement No.	Interest	Joint Venture Details
Torpeza-tercera demasía a	EC2557-30	100%	
<u>Toledo</u> Guajaraz	IP 4.203	100%	

CHILE

Rosario			
Rosario 6 1-40	0310259624	10.4%	Note 4
Rosario 7 1-60	0310259632	10.4%	Note 4
Rosario 101	03102N2229	10.4%	Note 4
Salvadora	0310231355	10.4%	Note 4
Abandonara	0310248487	10.4%	Note 4

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	9.9%	Teck 87%, Eaglehawk 2.5%, Marmota 100% in uranium rights only, Note 2
Callabonna	EL 5360	49%	Red Metal 51%, can earn 70%

FRANCE

St Pierre	PER	100%	
Beaulieu	PER	100%	

EL = Exploration Licence

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 retained a 3.75% net profits royalty on production from a uranium mine.

Note 3: The remaining exploration licences owned by Variscan Mines SAS (excluding the Couflens PER) have been conditionally acquired by a new wholly owned subsidiary, Variscan Mines Europe Limited. Pursuant to the approval for the Subsidiary Sale, the Ministry of Economy and Finance has imposed,

without prior consultation, the compulsory relinquishment of the remaining licences. The Company has approved the relinquishment request and has yet to receive a response. The timetable for the completion of the relinquishment process is unknown.

Note 4: On 1 July 2019 the Company announced it had successfully renegotiated the terms of the existing Option Agreement to provide the Company with a participating interest of 10.4%. The Company can earn up to 90% of the project through payment of amounts totaling approximately US\$2.25 million.

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 2020

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 (if expensed)	(1)	(1)
(b) development		
(c) production		
(d) staff costs	(74)	(322)
(e) administration and corporate costs	(66)	(331)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
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)		
1.9 Net cash from / (used in) operating activities	(140)	(653)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	(707)
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)	(194)	(226)
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
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)	-	4
2.6 Net cash from / (used in) investing activities	(194)	(929)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,092
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
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	-	2,943

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,643	947
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(140)	(653)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(194)	(929)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	2,943

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
4.5	Effect of movement in exchange rates on cash held	-	1
4.6	Cash and cash equivalents at end of period	2,309	2,309

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	2,309	2,643
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)	2,309	2,643

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	74
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end

-

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.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(140)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(194)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(334)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,309
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,309
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	6.91

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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: N/A

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: N/A

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: N/A

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date:30 April 2020.....

The Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

- 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.
- 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.
- 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.

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

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.