

ASX Announcement | 17 December 2025
Variscan Mines Limited (ASX:VAR)

PERMITTING APPROVAL OF PRE-WORKS, DEVELOPMENT & TRIAL MINING FOR SAN JOSE MINE RESTART

Highlights

- **Government of Cantabria has approved the Preliminary Mining Plan ('Anteproyecto') for the San Jose Mine ReStart; a significant permitting approval**
- **The Anteproyecto permits all of the pre works and development required to enable Mine Restart**
- **In keeping with the Mine Restart philosophy of seeking to leverage the advantages of a former producing asset and minimize capex, early works will seek to adapt the existing facilities and in-situ infrastructure required for larger scale mining with a focus on mine access, transportation, electrical installation, drainage and underground safety**
- **Together with the already granted Mining Licences, Restoration Plan and annual Plan de Labores, the Anteproyecto also provides permitting approval to proceed with underground trial mining and small scale exploitation**
- **Final Mining Plan to be submitted following publication of the Mine Restart Study, the implementation of its recommendations as well as EIA approval**
- **Variscan on track with progressing its 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 Preliminary Plan for the permits and concessions (Anteproyecto De Permisos Y Concesiones De Variscan En Cantabria) 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.

Approval of the Anteproyecto enables pre-works, site and underground development and trial mining to be conducted ahead of the proposed San Jose Mine ReStart.

Following on from the authorization of the Restoration Plan¹ for the Mining Licences granted over the San Jose and Udias Mines, the Anteproyecto has been approved by the Government of Cantabria. The Anteproyecto serves as a foundational document to inform the Government and provides a basis for initial operational approvals to be granted and a guide for detailed engineering phases and design for a larger mining operation to follow.

¹ Refer ASX Announcement dated 3 September 2025

The Anteproyecto is a further forward step in permitting. Critically it approves the general characteristics of the future mining restart and exploitation activities together with the adaption of the current facilities that is required for larger scale mining with a focus on mine access, transportation, electrical installation, drainage and underground safety.

Variscan has made significant progress on securing the permits required towards a restart of the San Jose Mine:

Licence/ Permit	Status	Notes
Mining Licence	Approved	Valid to 2035 with ability to extend for a further 30 years
Restoration Plan	Approved	
Plan de Labores	Approved	Work Plan submitted annually
Anteproyecto	Approved	Preliminary Mining Plan

Additional permit applications and the associated workstreams to support them are underway. More details will be set out the Mine ReStart Study when it is published. The effect of the permitting progress made to date confers a number of advantages to Variscan:

- Able to conduct the pre works and development required to enable Mine Restart
- Able proceed with underground trial mining and small scale exploitation
- Allows additional permitting processes to run concurrently to those works resulting in no time delays or additional costs and ensuring continuity of permitting progress
- Evidences strong in-house permitting capability and positive relationship with the Government of Cantabria

Based on the work conducted for the Mine Restart Study, to be published, Variscan anticipate that the following activities will be included in the initial pre-works and development package:

- Underground mine development
- Underground locomotive and haulage refurbishment
- Geotechnical works
- Power installation
- Communication installation
- Safety facilities
- Surface earthworks & site preparation
- Trial mining and stockpiling

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

"The approval of the Anteproyecto is a major milestone, advancing the Novales-Udias Zinc Project towards recommencing production.

We have been granted the necessary permits to conduct all of the pre works and development required to enable Mine Restart. Additionally, lower volume trial mining and stockpiling can commence.

These works can run parallel with additional permitting requirements such as Environmental Impact Assessment for which certain flora and fauna studies have already been completed. We are leveraging the project's status as a past producing asset to de-risk permitting and also the works required for Mine Restart.

This approval has been a substantial piece of work, achieved as a collaborative outcome between our local team and 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. Both the Company and the Government are keen to maintain continuity of permitting progress.

Our next key deliverable is publication of the Mine ReStart 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”.

Next Steps & Way Forward

Variscan continues to deliver against its dual-track Producer-Explorer strategy of mine restart readiness and high-impact exploration with key upcoming catalysts including:

- Results from metallurgical test work for inclusion in the Mine Re-Start Study
- Results from geotechnical test work for inclusion in the Mine Re-Start Study
- Publication of the Mine Re-Start 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/c7125d>]

Or scan the QR code.

Subscribe to our news alert service: <https://variscan.com.au/s/8d46e7>



About Variscan Mines Limited (ASX:VR)

Purpose, Strategy & Delivery



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



Zinc Focused

Structural opportunity to supply local markets as demand driven by energy transition tailwinds



Proven Assets

San Jose & Udias Mines have proven track record of high-grade zinc production



Ready for Mine Re-Start

Near term production opportunity for cashflow to sustainably fund ramp-up growth and exploration upside

Delivery

1

Near Term Production

2

District Scale Exploration

3

Selective & Accretive M&A

For more information



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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 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 Spain² and one of the world's richest MVT deposits³. 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 tenements⁴.

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 2024⁵
- 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^{6 7})
- 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% Zn⁸ with super high grade 'bolsas' (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn⁹
- 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

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

⁵ Refer to ASX announcement of 8 December 2024

⁶ 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.

⁷ 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.

⁸ These figures have been taken from historical production data from the School of Mines in Torrelavega historical archives.

⁹ 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)

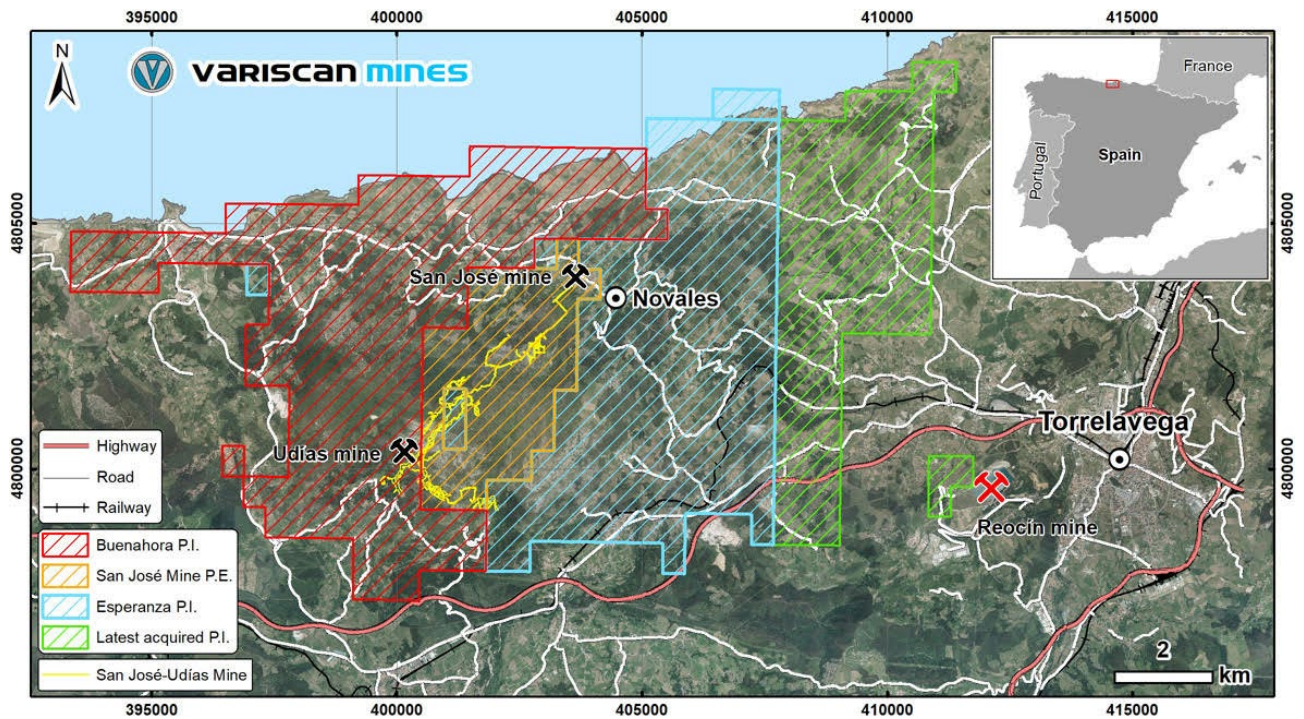


Figure 1. Map of Novales-Udias Project Licence Areas

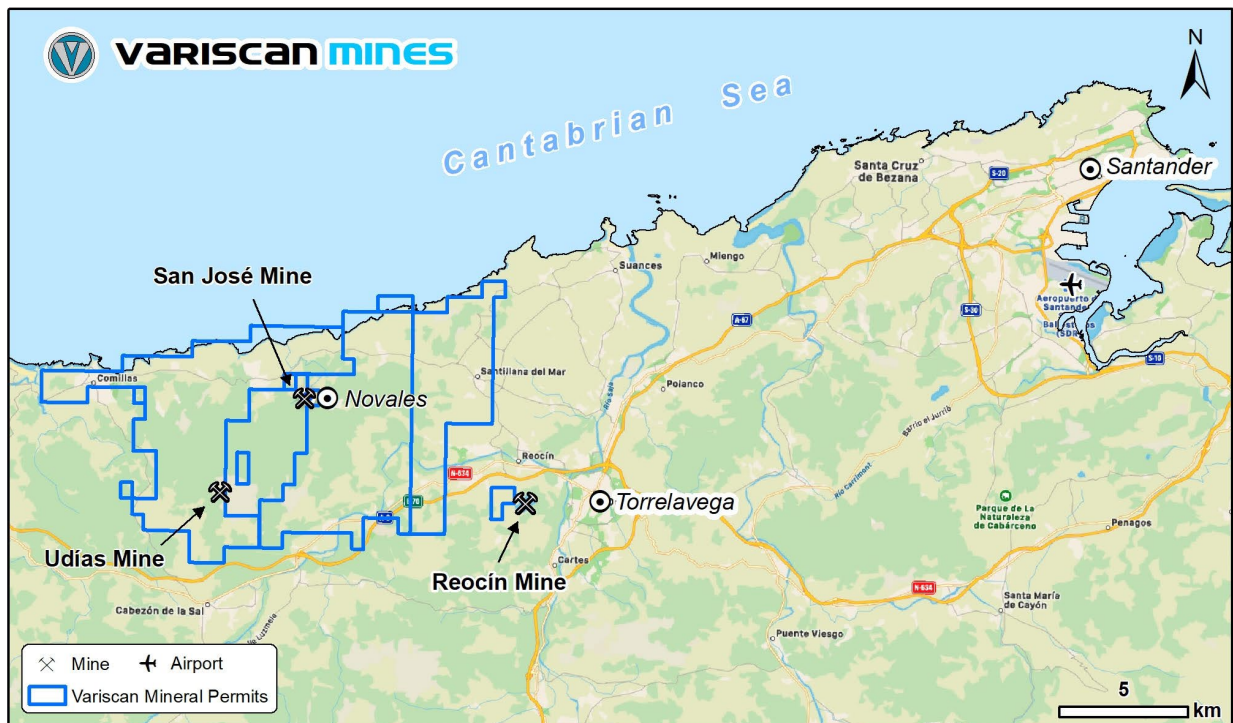


Figure 2. Map of Novales-Udias Project Licence Areas and local infrastructure

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

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 14 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.

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.

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.